

**National Endowment for the Arts
Appropriations Request for Fiscal Year 2007
Submitted to the Congress
February 2006**

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OVERVIEW

The National Endowment for the Arts is proud to submit its budget request of \$124.412 million for FY 2007 (see Tables 1 and 2 on the following pages), which includes:

- \$98.817 million for grant-making activities:
 - \$59.273 million for Direct Endowment Grants
 - \$39.544 million for State/Regional Partnerships
- \$1.761 million for program support efforts, and
- \$23.834 million for salaries and expenses.

The arts are an essential part of the American identity and civilization – dynamic, diverse, and original. America’s great cultural legacy demonstrates that there is a deep connection between creative genius in the arts, science, business, and technology, and protection of individual rights and freedoms.

American artistic achievements encompass traditional fields, such as literature, concert music, painting, theater, and design, and pioneering efforts in newer forms, such as jazz, blues, film, modern dance, and musical theater. During the past three centuries, no other nation has surpassed the United States in its creative achievements – from the high arts to folk and popular arts.

While the arts must remain primarily a matter for local and private initiative, Congress established the National Endowment for the Arts to encourage and preserve excellent art; to help make it available to all Americans, especially those who traditionally have not had access to it because of economic and geographic barriers; and to connect and engage children and youth with America’s distinguished artistic legacy.

As the National Endowment for the Arts celebrates its 40th anniversary, it enjoys a renewed sense of confidence and appreciation from the public and from lawmakers. The Arts Endowment has clarified its mission and goals, focusing on excellence and on public service. With an energized staff, the Agency has developed new tools and capabilities and has established intellectually substantive programs of immense value to the public.

Table 1.
National Endowment for the Arts
Fiscal Year 2007 Request – Agency Planning Format
(\$ in thousands)

Direct Endowment Grants		44,904
State & Regional Partnerships		29,964
Challenge America		
Direct Endowment Grants	8,458	
State & Regional Partnerships	<u>5,639</u>	
Total Challenge America		14,097
American Masterpieces		
Direct Endowment Grants	5,911	
State & Regional Partnerships	<u>3,941</u>	
Total American Masterpieces		<u>9,852</u>
TOTAL PROGRAM FUNDS		98,817
Program Support		1,761
Salaries & Expenses		<u>23,834</u>
TOTAL REQUEST		124,412

Table 2.
National Endowment for the Arts
Fiscal Year 2007 Request – Appropriations Committee Format
(\$ in thousands)

Grants	
Direct Grants	44,904
Challenge America Grants	8,458
National Initiative: American Masterpieces	<u>5,911</u>
Subtotal	59,273
State Partnerships	
State and Regional	23,578
Underserved Set-Aside	6,386
Challenge America Grants	5,639
National Initiative: American Masterpieces	<u>3,941</u>
Subtotal	39,544
SUBTOTAL: GRANTS	98,817
Program Support	1,761
Administration	<u>23,834</u>
TOTAL REQUEST	124,412

Overview

During the past three years, the Arts Endowment has piloted National Initiatives that demonstrate a new capacity to develop and deliver – to all 50 States – programs celebrating the best of our culture.

The Arts Endowment's *Shakespeare in American Communities*, the largest tour of Shakespeare in our Nation's history, in its fourth year during FY 2007, provides performances and educational outreach serving millions of high school and middle school students and teachers.

Operation Homecoming: Writing the Wartime Experience engaged two segments of American society – writers and military personnel and their families – in a series of unprecedented conversations resulting in the development of new writers and a historic archive unfiltered by the media. Such excellent programs are unavailable to Americans through the commercial marketplace.

For Fiscal Year 2007, the Arts Endowment requests funding at the same level as FY 2006 to continue our National Initiatives and to bring the best of America's visual, literary, and performing arts into the lives of all Americans. Through *American Masterpieces: Three Centuries of Artistic Genius*, the Agency will fund projects and programs that provide the Nation access to artistic excellence, along with educational programs and materials for school children as an integral part of the initiative. This level of funding will enable the Agency to maintain the momentum achieved during the past few years.

NEA: Serving All Americans

The Arts Endowment is the Nation's leading institution responsible for promoting the arts and arts education, including encouraging public knowledge, education, understanding, appreciation of, and access to, the arts through a variety of media. Each year, it awards approximately 2,000 grants totaling \$100 million to nonprofit arts organizations, State and local arts agencies, school districts, and tribal and other organizations for arts projects located in all 50 States and six U.S. jurisdictions, including rural communities, inner cities, and military installations. Support is awarded for exemplary projects in the fields of arts education, dance, design, folk and traditional arts, literature, local arts agencies, media arts, museums, music, musical theater, opera, presenting (including multidisciplinary art forms), theater, and the visual arts.

The substantial role that the Arts Endowment has had in promoting the arts has conferred upon the Agency a strong profile. The Arts Endowment has been instrumental in nurturing support for key arts institutions and major cultural events of our time, including the design competition for the National Vietnam Veterans Memorial; the establishment of the American Film Institute, Spoleto USA, and the Monterey Jazz Festival; support for hundreds of exhibitions introducing millions of Americans to great artwork from abroad, beginning with the 1976 exhibit of the "Treasures of Tutankhamen;" and the creation and airing of PBS's *Great*

Overview

Performances and many other series that broadcast excellent art across the Nation. In addition, during the 1970s and 1980s, funding from the Arts Endowment helped establish a vast system of regional theaters, opera and dance companies, and symphony orchestras that have benefited communities, large and small, in all 50 States.

The Arts Endowment has also been instrumental in building an infrastructure – unique in the world – of support for the arts. Through partnership with Federal, regional, State and local agencies; private foundations; the business community; and private donors, the Arts Endowment provides support vital to the arts in our country. The 56 State and jurisdictional arts agencies, along with their six regional arts organizations, cooperate with the Arts Endowment to distribute Federal support for projects that benefit local communities. The Arts Endowment also joins with arts organizations, the Library of Congress, and the U.S. Department of State to foster artistic exchange, to indemnify museum exhibitions (created by Congress in 1975 for the purpose of minimizing the costs of insuring international exhibitions, the program has since indemnified 713 exhibitions, saving the organizers \$157 million in insurance premiums), and to showcase the best of American arts on the global stage.

As a further example of our commitment to serving all Americans, the Arts Endowment has responded to crises – both natural and man-made. We helped the residents of Oklahoma City tackle the design challenges facing them after the Murrah Building bombing, and we created programs to assist in the aftermath of 9/11.

Most recently, the Arts Endowment partnered in the production of the booklet titled *Before and After Disasters: Federal Funding for Cultural Institutions* and awarded \$500,000 to State and local arts agencies and arts organizations in communities along the Gulf Coast devastated by Hurricane Katrina. As Chairman Gioia pointed out shortly after Katrina struck the Gulf Coast, “There is no way to rebuild the local economies in cities like New Orleans without providing aid to the arts. We recognize that this disaster raised more than economic issues. The needs of the displaced people are not only for material things. Here the arts can play an essential role in human and community recovery.” The Arts Endowment is also committing another \$200,000 in support of special sessions of its highly successful community design initiatives – the *Mayors’ Institute on City Design* and *Your Town: the Citizens’ Institute on Rural Design* – in Mississippi and Louisiana.

Goals and Initiatives

To fulfill its legislative mandate of supporting excellence in the arts and ensuring access for all Americans, the Arts Endowment has three programmatic goals:

- Access to Artistic Excellence
- Learning in the Arts for Children and Youth
- Partnerships for the Arts

Overview

To achieve these goals, the Agency has instituted new strategies and partnerships to augment and enhance its grants programs. The Arts Endowment:

- Developed National Initiatives as model programs of indisputable artistic merit and broad national reach accompanied by substantive educational materials.
- Expanded Agency programs to ensure national coverage of Agency programmatic activity.
- Developed effective model programs in arts education based on national, State or local arts education standards, replacing a less rigorous arts education agenda.

In just three years, these strategies have produced enormously successful programs that have made the Agency's programs truly national, including extending our reach to communities that have been underserved in the past, such as military families.

Examples of this success can be found in initiatives such as:

- *American Masterpieces: Three Centuries of Artistic Genius,*
- *The Big Read,*
- *Shakespeare in American Communities* and its successor, *Shakespeare for a New Generation,*
- *Great American Voices Military Base Tour: Unforgettable Melodies from Opera & Broadway,*
- *NEA Arts Journalism Institutes,*
- *NEA Jazz Masters,*
- *NEA Summer Schools for Children and Youth,*
- *Operation Homecoming: Writing the Wartime Experience,* and
- *Poetry Out Loud: National Poetry Recitation Contest.*

Partnerships

The awards the Arts Endowment gives to organizations have a multiplying effect. In the philanthropic world, a grant from the Arts Endowment bestows upon an organization the imprimatur of excellence, helping the recipient generate more funding. Arts Endowment records show that every grant dollar helps generate an estimated seven or more dollars in additional support from other, often local sources.

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In recent years, the Arts Endowment has actively sought new partnerships with foundations, corporations, and other Federal agencies to ensure access to the arts for all Americans, especially our children and youth. These partnerships have enabled the Agency to pilot National Initiatives and provide educational materials, such as the *Shakespeare in American Communities* and *NEA Jazz in the Schools* toolkits, to teachers free of charge. Examples include:

- The Sallie Mae Fund and the Department of Defense in support of *Shakespeare in American Communities*,
- The Boeing Company in support of *Operation Homecoming* and *Great American Voices*, and
- The Verizon Company and Foundation, and the Doris Duke Charitable Foundation in support of *NEA Jazz Masters on Tour* and *NEA Jazz Masters in the Schools*.

These partnerships serve as an affirmation of the work of the Arts Endowment in providing programs of value to all Americans.

Selected Recent Agency Achievements

Evidence of the Agency's goal of ensuring access to the arts for all Americans can be found in the following recent achievements:

- 100% of the Congressional districts were awarded a direct grant from the Arts Endowment in FY 2005, many through our *Challenge America: Reaching Every Community* program.
- Since September 2003, provided professional performances of Shakespeare plays to 200,000 students residing in rural and underserved communities, and provided 11 million middle and high school students with the opportunity to learn about Shakespeare from 30,000 arts education toolkits developed and distributed to teachers by the Arts Endowment as part of our *Shakespeare in American Communities* initiative.
- 4,000 men and women at 33 military installations in the U.S. and overseas have participated in writing workshops with distinguished authors or attended a theatrical event, through our *Operation Homecoming: Writing the Wartime Experience* and *Beyond Glory* programs; 1,600 of the participants submitted writing for the *Operation Homecoming* anthology and historical archive. Another 20,000 individuals have utilized our online educational resources or received copies of our print materials, including the *Operation Homecoming* audio CD.
- Developed *The Big Read* community-wide reading initiative, an ambitious undertaking that promises to have a major impact on the lives of Americans.

Budget Highlights

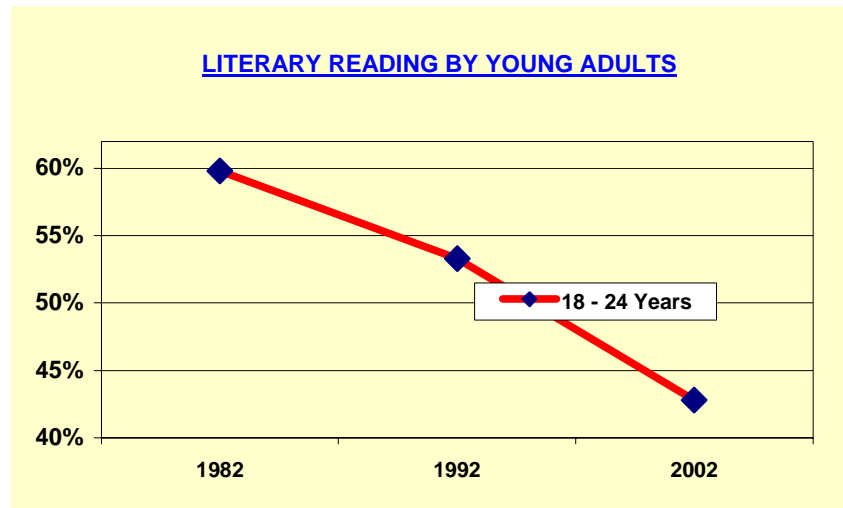
This 2007 request builds on the demonstrated success of these initiatives, started just three years ago. Programmatically, this budget:

- Provides \$98.817 million for the Agency's grant programs, including \$14.097 million for *Challenge America* grants, for projects that provide access to artistic excellence and advance arts education for children and youth in thousands of communities throughout the Nation. Forty percent of these funds are awarded to State Arts Agencies and their Regional Arts Organizations.
- Provides \$9.852 million for the National Initiative *American Masterpieces: Three Centuries of Artistic Genius*, championed by Mrs. Laura Bush. *American Masterpieces* consists of three elements – touring programs, local presentations, and arts education, with 40 percent of the funds provided to the State Arts Agencies. This initiative focuses on the finest visual, literary, and performing arts works in our national legacy and makes them available to the broadest cross-section of America. The requested level of funding is consistent with the amount Congress appropriated for this program in FY 2006 and would enable the Agency to ensure the benefits of the program nationwide, reaching rural, suburban, and urban audiences.

The funding would also enable the agency to respond to the findings reported in *Reading At Risk: A Survey of Literary Reading in America* with *The Big Read*, the literary component of the *American Masterpieces* initiative. The *Reading At Risk* survey of Americans' reading habits between 1982 and 2002 found that:

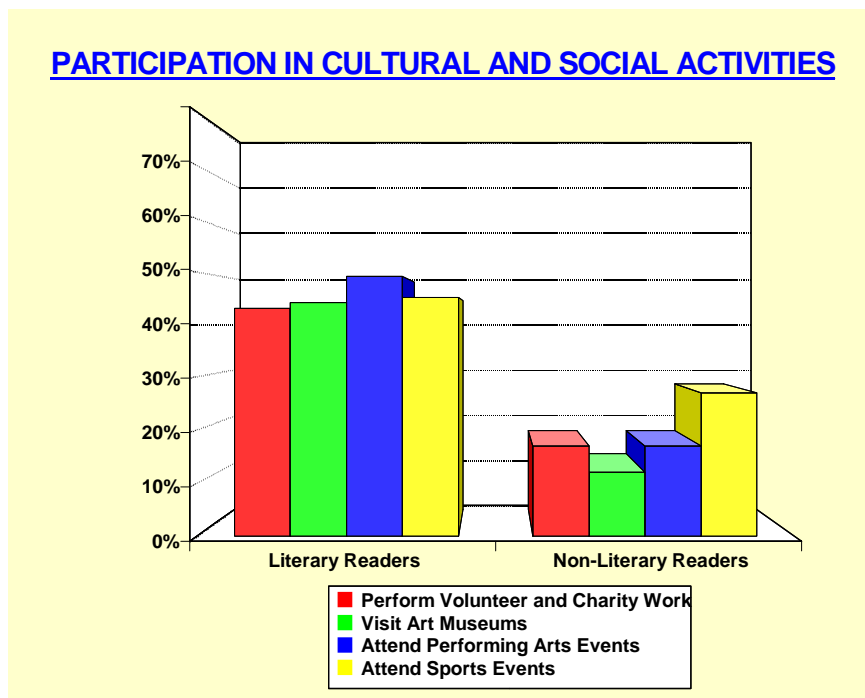
- Less than half of the adult population now reads literature.
- The percentage of adult Americans reading literature dropped dramatically – from nearly 57% in 1982 to less than 47% in 2002.
- Although the U.S. population grew by 40 million, the number of literary readers remained the same.
- The rate of decline in literary reading is accelerating – from a 5% decline between 1982 and 1992 to a 14% decline between 1992 and 2002.
- Declines existed in all age groups covered by the survey, with the steepest decline in the youngest age group, 18-24 (see Graph 1).

Graph 1.



Equally important, the report documented a correlation between reading and other forms of active civic participation, noting that literary readers are more likely than non-literary readers to perform volunteer and charity work, attend performing arts and sporting events, and visit art museums (see Graph 2).

Graph 2.



In response to these findings, and to encourage the reading of literature, the Arts Endowment has developed *The Big Read*, based on the "City Reads" concept of community-wide reading of a single book. Forty-five cities competed in 2005 to participate in the 2006 pilot program. Ten cities were selected, with an estimated 100,000 individuals expecting to participate directly and many more reached through broadcast and web programs. By 2007, with sufficient funding, we plan to expand this program to 100 cities in all 50 States, reaching more than one million individuals. The Arts Endowment plans to develop and provide educational materials, including books, posters, CDs, and author visits that will ensure the widest possible reach for this vital initiative. Reading is a progressive skill that depends on years of education and practice. Reading a book requires a degree of active attention and engagement. By contrast, most electronic media foster shorter attention spans and accelerated gratification. To lose such intellectual capabilities would constitute a vast cultural impoverishment. The success of the Arts Endowment's other National Initiatives over the past three years demonstrates that the Agency, with sufficient funding, is capable of delivering first class programs and educational materials.

- Continues the Agency's support for the *Challenge America: Reaching Every Community* initiative as a vehicle for enabling the Agency to meet its commitment to provide access to the arts to underserved Americans, including providing direct support for arts projects located in every Congressional district in the Nation. The Arts Endowment is committed to ensuring that all Americans have access to the arts through the Agency's ongoing programs, initiatives, and partnerships. Through our *Challenge America: Reaching Every Community* program we are achieving broad geographic reach by supporting quality arts projects in communities large and small, rural and inner city. In FY 2005, the Arts Endowment *awarded a direct grant in every Congressional district*.

Challenge America: Reaching Every Community continues to include support for fast-track review grants. This grant program offers support primarily to small and mid-sized organizations for projects that extend the reach of the arts to underserved populations – those whose opportunities to experience the arts are limited by geography, ethnicity, economics, or disability. This category, an essential component of the Arts Endowment's goal of providing wide access to artistic excellence, supports local projects that can have significant effects within communities. Grants are available for professional arts programming and for projects that involve the arts in community development.

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Fast-Track Review Grants:

- Extend the reach of the arts to underserved populations.
- Are for a maximum of \$10,000 each.
- Receive an expedited application review. Organizations are notified whether they have been recommended for a grant approximately six months after they apply; projects may start shortly thereafter.

Managerially, this budget:

- Increases our program support and salaries and expenses budgets collectively by \$1.8 million. The increase in program support is necessary primarily to meet the Agency's commitment to Grants.gov *Find and Apply* maintenance costs, as well as fees associated with the Grants Management Line of Business initiative. The majority of the increase for salaries and expenses covers cost-of-living salary adjustments and enables the Agency to maintain a staffing level of 158 FTE supported with appropriated funds.

Table 3 on the following page provides a summary of our FY 2007 request by strategic goal.

Overview

Table 3.
National Endowment for the Arts
Proposed Allocations by Strategic Goal for Fiscal Year 2007
(\$ in thousands)

	FY 2005 <u>Obligations</u>	FY 2006 <u>Estimate</u>	FY 2007 <u>Request</u>
Access to Artistic Excellence:			
Direct Endowment Grants			
Project Support	34,259	33,402	34,334
Challenge America: Reaching Every Community	13,408	10,496	8,458
National Initiative: American Masterpieces	<u>1,183</u>	<u>5,411</u>	<u>5,411</u>
Total Access to Artistic Excellence	48,850	49,309	48,203
Learning in the Arts			
Direct Endowment Grants			
Project Support	9,126	8,450	8,570
Partnerships for the Arts	1,850	1,750	1,700
National Initiative: American Masterpieces	<u>0</u>	<u>500</u>	<u>500</u>
Total Learning in the Arts	10,976	10,700	10,770
Partnerships for the Arts			
State Partnerships			
State & Regional	23,961	23,182	23,578
Underserved	6,552	6,274	6,386
Challenge America: Reaching Every Community	8,570	7,063	5,639
National Initiative: American Masterpieces	<u>0</u>	<u>3,941</u>	<u>3,941</u>
Subtotal State Partnerships	39,083	40,460	39,544
Direct Endowment Grants	<u>1,287</u>	<u>185</u>	<u>300</u>
Total Partnerships for the Arts	40,370	40,645	39,844
Total Program	100,196 a/	100,654	98,817
Total Program Support	1,285 b/	1,672	1,761
Total Salaries & Expenses	<u>20,679</u> c/	<u>22,080</u>	<u>23,834</u>
TOTAL d/	122,160 e/	124,406 f/	124,412

a/ Includes \$2,090,272 of FY 2004 funds carried forward to FY 2005 and \$1,366,861 of prior year deobligations carried forward to FY 2005. Excludes \$2,912,332 of carryover into FY 2006.

b/ Includes \$486,000 of FY 2004 funds carried forward to FY 2005 and \$32,055 of prior year deobligations carried forward to FY 2005. Excludes \$507,810 of carryover into FY 2006.

c/ Includes \$354,201 of FY 2004 funds carried forward to FY 2005 and \$40,797 of prior year deobligations carried forward to FY 2005. Excludes \$377,432 of carryover into FY 2006.

d/ Excludes Interagency and Gift funds.

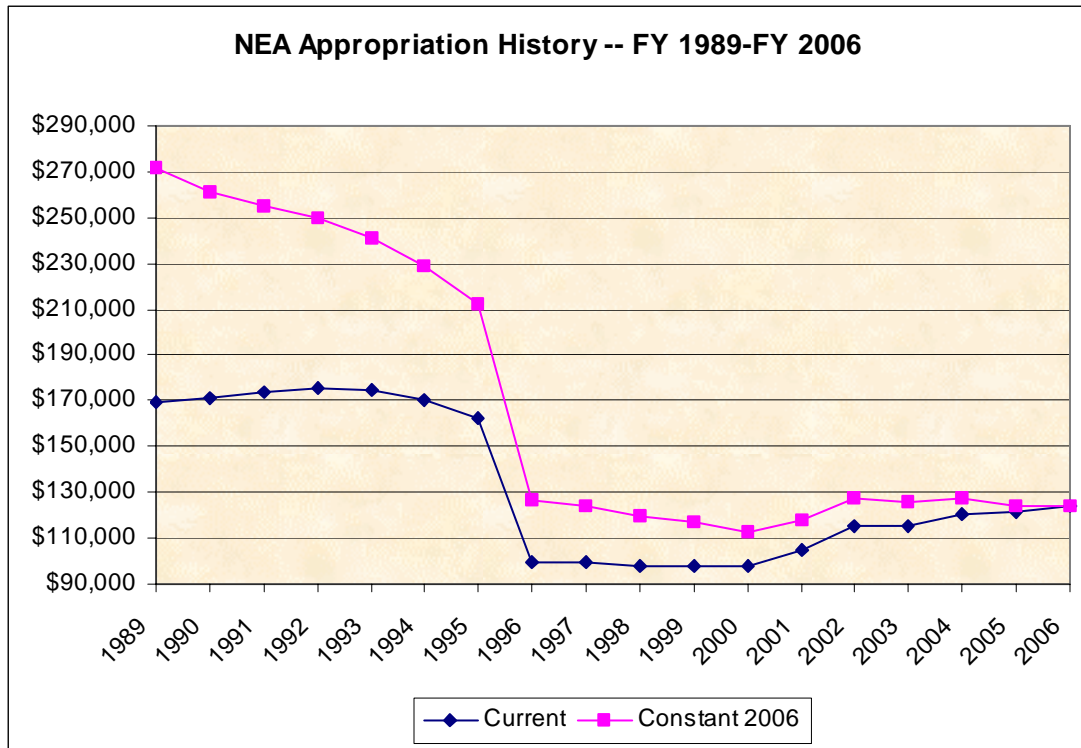
e/ Includes FY 2005 Interior rescission of \$730,454 pursuant to P.L. 108-447 and government-wide rescission of \$977,932 pursuant to P.L. 108-447.

f/ Includes FY 2006 Interior rescission of \$601,017 pursuant to P.L. 109-054 and across-the-board rescission of \$1,256,630 pursuant to H.R. 2863. Includes reprogramming of \$986,000, with \$226,000 for program support and \$760,000 for salaries and expenses.

Historical Levels of Funding

The National Endowment for the Arts has lost substantial buying power during the last 17 years. For instance, as shown in the chart below, in the peak year of funding during the administration of President Ronald Reagan – FY 1989 – the Agency’s budget was \$169 million in real dollars, or \$272 million adjusted to constant 2006 dollars. Under President George H.W. Bush, the Agency’s budget peaked – in FY 1992 – at \$176 million, or \$250 million adjusted to constant 2006 dollars. Under President Bill Clinton, the Agency’s budget peaked – in FY 1996 – at \$171 million, or \$212 million adjusted to constant 2006 dollars. Under President George W. Bush, the Agency’s budget peaked – in FY 2002 – at \$125 million, or \$128 million adjusted to constant 2006 dollars. Under President Barack Obama, the Agency’s budget peaked – in FY 2009 – at \$128 million, or \$128 million adjusted to constant 2006 dollars.

Graph 3.



Legislative Change

With this budget, we propose a change to the Arts Endowment’s legislation concerning the amount of funds that can be awarded without regard to the one-to-one matching requirement. Since the provision (20 U.S.C. Section 954(e)) does not specify whether the one-to-one matching requirement applies only to appropriated funds, we would like clarity about this issue. We seek legislative language that stipulates that the current legislative requirement applies solely to appropriated funds.

Our expanded National Initiatives and related fundraising efforts suggest to us that clarification is needed. The new legislative language we are proposing is:

Provided further, That 20 U.S.C. 954(e) shall not apply to grants and contracts supported entirely with funds from nonappropriated sources.

Strategic Plan Revised

Consistent with the requirements of the Government Performance and Results Act (GPRA), the Arts Endowment is presenting its revised Strategic Plan in conjunction with this budget. The Plan and this budget are aligned, with goals and strategies that mirror one another (see Table 4 on the following page).

Budget Document Sections

The remainder of this budget document is organized as follows:

- Access to Artistic Excellence, Learning in the Arts, and Partnerships for the Arts, where we highlight these important program goals. The discussions contained in these sections include funding, delivery of service strategies, project sample references, and selected performance data.
- Impact, where we provide summary descriptions of programs and initiatives, and expanded highlights of performance data.
- Program Support, where we describe activities undertaken with these funds and identify associated allocations.
- Salaries and Expenses, where we describe activities undertaken with these funds and identify associated allocations.
- Strategic Plan, revised, as discussed above.

Table 4.
NEA Strategic Plan FY 2006-2011
Summary of Programmatic Goals and Outcomes

<u>Goals</u>		
Access to Artistic Excellence	Learning in the Arts	Partnerships for the Arts
To encourage and support artistic excellence; preserve our cultural heritage; and provide access to the arts for all Americans.	To advance arts education for children and youth.	To develop and maintain partnerships that support excellence in the arts, both new and established; bring the arts to all Americans; and provide leadership in arts education.
<u>Outcomes *</u>		
1. Artists and arts organizations have opportunities to create, interpret, present, and perform artistic work.	1. Children and youth demonstrate skills, knowledge, and/or understanding of the arts, consistent with national, State, or local arts education standards.	1. Activities supported through partnerships with state arts agencies and regional arts organizations make the arts and arts education widely available.
2. Audiences throughout the Nation have opportunities to experience a wide range of art forms and activities.	2. Teachers, artists, and others demonstrate knowledge and skills necessary to engage children and youth in arts learning, consistent with national, State, or local arts education standards.	2. Activities supported through partnerships with other public and private sector organizations make the arts and arts education widely available.
3. The arts contribute to the strengthening of communities.	3. National, State, and local entities demonstrate a commitment to arts learning for children and youth, consistent with national, State, or local arts education standards.	
4. Artistic works and cultural traditions are preserved.		
5. Organizations enhance their ability to realize their artistic and public service goals.		
* The outcomes refer to the intended results of Agency-funded grant projects and activities with arts organizations, arts service organizations, educational institutions, units of government, individuals, and other public and private sector organizations involved in arts activities.		

Overview

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ACCESS TO ARTISTIC EXCELLENCE

I. Introduction

Through Access to Artistic Excellence, the National Endowment for the Arts encourages and supports artistic creativity, preserves our diverse cultural heritage, and makes the arts more widely available nationally and internationally.

The Arts Endowment is committed to ensuring that all Americans have access to high quality art through the Agency's ongoing programs, initiatives, and partnerships. This commitment is reflected in the fact that **more than 80% of the Agency's FY 2007 Direct Endowment Grant funds** will be devoted to this effort.

To ensure complete national coverage of our programs, during the last few years we have taken three steps in particular:

- Expanded our Challenge America program as *Challenge America: Reaching Every Community*;
- Awarded a direct grant in all Congressional districts in FY 2005, with a goal of continuing to reach all districts in future years; and
- Launched a series of major national initiatives – including *American Masterpieces: Three Centuries of Artistic Genius* and its literary component, *The Big Read* – to strengthen the Arts Endowment's efforts to connect Americans with the best of their cultural heritage.

Our budget request reflects our continued commitment to the goal of providing all Americans with access to excellent art.

II. Funding

For FY 2007, we are requesting \$48,203,000 for Access to Artistic Excellence activities as follows:

Access to Artistic Excellence Project Support	\$ 34,334,000
Challenge America: Reaching Every Community	\$ 8,458,000
American Masterpieces	<u>\$ 5,411,000</u>
Total Access to Artistic Excellence Request	\$ 48,203,000

III. Strategies

The Arts Endowment employs six core strategies to achieve its Access to Artistic Excellence goal, selected results of which are provided under the Impact tab.

A. Assist organizations in *conducting projects, programs, workshops, or activities* that:

- Provide opportunities for individuals to experience and participate in a wide range of art forms and activities.
- Present artistic works of all cultures and periods.
- Preserve significant works of art and cultural traditions.
- Provide opportunities for artists to create, refine, perform, and exhibit their work.
- Enable arts organizations and artists to expand and diversify their audiences.
- Enhance the effectiveness of arts organizations and artists.
- Employ the arts in strengthening communities.

The Arts Endowment also supports a limited number of *leadership projects* intended to advance the arts significantly and demonstrate national or field-wide importance. Such an example is the *National Medal of Arts*, the highest award given to artists and arts patrons by the United States Government. The non-monetary Medal is awarded by the President of the United States, based on recommendations from the National Council on the Arts, to individuals or groups who, in the President's judgment, "...are deserving of special recognition by reason of their outstanding contributions to the excellence, growth, support and availability of the arts in the United States."

- B. Assist organizations in *developing, producing, and nationally distributing radio or television programs on the arts*. Priority is given to artistically excellent programs that have the potential to reach a significant national audience.
- C. Recognize exemplary artists with one-time *NEA Jazz Masters* and *NEA National Heritage Fellowships*, and provide them with performance opportunities to reach new audiences.
- D. Recognize *published creative writers and translators* of exceptional talent with fellowship awards to provide Americans access to contemporary literature.

- E. Support *national initiative* projects and activities of outstanding artistic quality that benefit Americans in communities throughout the country.
- F. Support *international activities* that present American arts and artists at international venues; encourage exchanges of U.S. artists with artists of other nations; and support residencies of foreign artists in the United States.

IV. Access to Artistic Excellence Programs

Strategies to achieve the Access to Artistic Excellence goal are implemented through programs such as the following.

A. Grants for Arts Projects, including Arts on Radio and Television

The Arts on Radio and Television category makes the excellence and diversity of the arts widely available to hundreds of millions of Americans through nationally broadcast performances on radio and television.

B. Challenge America: Reaching Every Community

The *Challenge America: Reaching Every Community* initiative enables the Arts Endowment to serve all Americans, especially those in communities underserved because of geographic or economic barriers, by making at least one competitive award in every one of the 435 Congressional districts.

C. National Heritage Fellowships

The *NEA National Heritage Fellowships* are awarded annually to master folk and traditional artists to recognize their artistic excellence and their contributions to our Nation's traditional arts heritage. These are one-time awards that result from nominations submitted by the general public. Since 1982, the Arts Endowment has awarded more than 300 *Heritage Fellowships* to individuals residing in 48 States (all except Delaware and Rhode Island) and five special jurisdictions.

D. Creative Writing and Translation Fellowships

The Arts Endowment recognizes promising and mid-career writers, poets, and translators with Literature Fellowships that enable them to set aside time for writing and research. Literature Fellowships are the most competitive funding activity of the Agency; for example, in FY 2006, only 5.5 % of the 917 applicants can be supported. The fact that the majority of the recipients of the National Book Awards, National Book Critics Circle Awards, and Pulitzer Prizes in fiction and poetry since 1990 had been

previously recognized by the Arts Endowment with a Fellowship demonstrates the effectiveness of this program in nurturing creative writing talent.

E. National Initiatives

Shakespeare in American Communities, the largest tour of Shakespeare in our Nation's history, was the first in a series of landmark programs that are demonstrating the unique cultural and educational value the Arts Endowment can bring to America. Soon to enter its fourth year, this initiative involves the awarding of annual competitive grants to professional theater companies. Due to its overwhelming success, *Shakespeare in American Communities* has become an ongoing program in the form of *Shakespeare for a New Generation* (see the Learning in the Arts tab for more information on this initiative). With this expansion, *Shakespeare in American Communities* is fully integrated into both our Access to Artistic Excellence and Learning in the Arts goals.

Our FY 2007 budget request includes funding for the national initiative *American Masterpieces: Three Centuries of Artistic Genius*, which was piloted in FY 2005 with museum exhibitions. Through this initiative, the Arts Endowment will celebrate our Nation's greatest artistic achievements with performances, exhibitions, tours, and educational programming in all 50 States. *The Big Read*, launched in 2006, is the literary component of *American Masterpieces*.

The *NEA Jazz Masters* initiative includes the annual *NEA Jazz Masters* awards, *NEA Jazz Masters on Tour*, and an educational curriculum, *NEA Jazz in the Schools*, which was produced in partnership with Jazz at Lincoln Center.

Operation Homecoming: Writing the Wartime Experience is a unique literary project aimed at preserving the stories and reflections of U.S. military personnel and their families, and is made possible with substantial private financial support and in partnership with the U.S. military services. We plan to conclude this program in FY 2007. *Above and Beyond*, an anthology of the best writing submitted, will be published in September 2006. All submissions will be housed in a government archive at the conclusion of the program. With financial support from The Boeing Company, the Arts Endowment is currently developing an educational film about *Operation Homecoming*.

In FY 2005, building on the existing partnership between the Arts Endowment and the Department of Defense, we launched the *Great American Voices Military Base Tour*, which is providing admission-free,

professional performances of opera and musical theater selections for military families throughout the Nation. The initiative includes supplementary introductory materials and activities on opera for adults and children.

In addition, the Arts Endowment is responding to the enormous challenges identified by our *Reading at Risk* report with several initiatives integrated into both Access to Artistic Excellence and Learning in the Arts. Intended to rejuvenate literature's role in American popular culture and bring the transformative power of literature into the lives of American citizens, the Arts Endowment is sponsoring *The Big Read*, our community-wide reading program mentioned above.

To encourage the memorization and performance of poetry among the young, during Spring 2006 the Arts Endowment will sponsor *Poetry Out Loud*, a program that will engage high school students in all 50 States and the District of Columbia in a national poetry recitation competition. The 51 State Arts Agencies (including DC) and the Poetry Foundation will sponsor State championships in each State capital, and will provide standards-based curriculum materials, including poetry anthologies and an audio CD, free of charge to participating schools. The State champions will compete in the *Poetry Out Loud National Finals* in May 2006 in Washington, D.C.

Additional information can be found under the Impact tab.

F. Presenting the Best of America's Arts to International Audiences

As the Federal agency with primary responsibility for promoting excellence in the arts in the United States, the Arts Endowment plays an educational role in interaction with foreign cultural leaders who visit the U.S. seeking information about the U.S. system of arts support through multiple private and public funders.

The Agency works closely with the Library of Congress, the U.S. Department of State, Regional Arts Organizations, and the private sector to promote presentations of American art and artists abroad and to forge alliances that help bring the diversity of the world's artistic expressions to American audiences.

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LEARNING IN THE ARTS FOR CHILDREN AND YOUTH

“Experience, Study, Perform, Assess”

I. Introduction

The National Endowment for the Arts serves America’s children and youth by identifying and supporting model programs that provide in-depth knowledge, skills, and understanding of the arts. Vital in expanding the minds and imaginations of our citizens, the arts play a critical role in building and reinforcing language arts and math skills while also preparing a work force that can meet the demands of an information economy.

Research strongly suggests that young people who learn about and participate in the arts acquire skills that help them in decision-making, problem solving, creative thinking, and teamwork. An increasing number of studies also find that arts programs motivate children to learn, achieving stronger results in core academic subjects. For some children, the arts provide the impetus to stay in school until graduation and, for some, to acquire a college education. Arts education programs will continue to play a pivotal role as the Nation struggles to improve high school graduation rates, develop pre-kindergarten programs, and counter the achievement gap in urban communities.

For all these reasons, the Arts Endowment believes that the arts are an essential component of education, and that all children, not only those with specific artistic talent, benefit from an education in the arts, including the opportunity to create, perform, and communicate through varied artistic media. The Arts Endowment awards grants for high quality arts education programs with the following program elements:

- **Experience:** Students and their teachers will have the chance to experience outstanding works of art – where possible in live form.
- **Study:** Students and teachers will get the opportunity to study those works of art, to understand the cultural and social context from which they came, and to appreciate the technical and aesthetic qualities of each work.
- **Perform:** Inspired and informed by their experience and study, students will participate in the creation of artwork.
- **Assess:** In their work of study and performance, students will be assessed according to national, State, or local arts education standards. Where possible, multiple forms of assessment will be used.

Learning in the Arts

This program supports the “No Child Left Behind Act,” which includes the arts as a core academic subject area, and which calls on the Nation to provide curriculum frameworks and carefully designed evaluations to assess every child’s progress in achieving proficiency in each of the core areas.

II. Funding

In FY 2007, we request \$10,770,000 for Learning in the Arts activities as follows:

Learning in the Arts Project Support	\$ 8,570,000
Learning in the Arts Projects carried out by our State partners through Partnership Agreements	\$ 1,700,000
American Masterpieces	\$ <u>500,000</u>
Total Learning in the Arts Request	\$10,770,000

III. Strategies

The Arts Endowment achieves its Learning in the Arts goal through four core strategies: Learning in the Arts Project Support Awards, Partnerships, National Initiatives, and Model Programs. We are committed to the rigorous application of national, State, or local arts education standards to the full range of our learning in the arts endeavors and reliance upon the following approach:

- *Educational focus on children, teachers, artists, arts organizations, and school leadership* will model best practices in arts education, disseminate those practices into the field, and continue to build the case for quality arts education across the country.
- *Educational focus on rigorous programs.* Understanding that children and youth can learn from a wide variety of exposure to the arts, the Arts Endowment is committed to ensuring that this exposure adds discernible value. We will require that every Agency-supported arts education program applies national, State, or local arts education standards.

IV. Learning in the Arts Programs

Strategies to achieve our Learning in the Arts goal are implemented through programs such as the following.

- A. Learning in the Arts Project Support Awards. These awards are intended to advance arts education for children and youth in school-based or

community-based settings through in-depth, curriculum-based arts education experiences that occur over an extended period. We now require that all projects include the following components: 1) an opportunity for students and their teachers to experience exemplary works of art, in live form wherever possible; 2) study of the art experienced including the acquisition of skills for practicing the art form where appropriate; 3) the performance/making of art within the disciplines studied; and 4) student assessment according to national, State, or local arts education standards. The Arts Endowment also provides assistance for a limited number of leadership projects centered in the area of Learning in the Arts. Support for the Arts Education Partnership¹ is such an example.

- B. Partnership Agreements. State Arts Agencies (SAAs) are important partners in the area of arts education. The Arts Endowment provides the SAAs with funds above the statutory requirement in order to increase funding available to the SAAs for arts education activities (see Partnerships for the Arts tab).
- C. National Initiatives. Educational outreach is an integral and essential component of our National Initiatives. The educational programs of *Shakespeare in American Communities* and the *NEA Jazz Masters Program* serve as models for our newer initiatives: *American Masterpieces: Three Centuries of Artistic Genius*, *The Big Read*, *Poetry Out Loud*, and the *Great American Voices Military Base Tour: Unforgettable Melodies from Opera & Broadway*.
 - *Shakespeare for a New Generation*. Due to the overwhelming success of *Shakespeare in American Communities*, we developed *Shakespeare for a New Generation* to provide high school and middle school students an opportunity to experience a live performance of a play by William Shakespeare. Key components of this program are focused on providing educational experiences.
 - *Touring*. Theater companies from across the United States are selected through a competitive process to receive Arts Endowment funding to provide Shakespeare performances and outreach activities to middle and high schools in the companies' city, State, or region.
 - *Educational Outreach*. In addition, theater companies or festivals carry out educational outreach programs about Shakespeare targeted to new youth audiences.

¹ Formed in 1995 by a partnership among the Arts Endowment, the U.S. Department of Education, the National Assembly of State Arts Agencies, and the Council of Chief State School Officers, the Arts Education Partnership is a private, nonprofit coalition of more than 100 national organizations committed to promoting arts education in elementary and secondary schools throughout the country.

- *Shakespeare in American Communities Toolkits*. The Arts Endowment developed and distributed free of charge an educational multi-media toolkit for teachers; feedback from teachers has been outstanding. These comprehensive materials are consistent with national arts education standards and include:
 - *Teacher's Guide* to Shakespeare's life and times and his role in American culture, with lesson plans.
 - *Recitation Contest Booklet* with performance evaluation forms and play and sonnet selections.
 - *An Introduction to Shakespeare* audio CD with readings by James Earl Jones, Mel Gibson, Vaclav Havel, and others, as well as historical information from leading scholars.
 - *Shakespeare In Our Time* video that introduces students to Shakespeare's life, times, and plays using clips from major films.
 - *Why Shakespeare?* DVD with actors such as Tom Hanks and Michael York – and inner city youths – explaining the relevance of Shakespeare to their lives.
 - *Fun with Shakespeare* brochure with crossword puzzles, short quizzes, and fun facts about the Bard.
 - *Life and Times of Shakespeare* time line poster that outlines major historical, artistic, and scientific developments during Shakespeare's life.
- **NEA Jazz Masters**. Key components of this program are focused on education: children and their teachers will attend performances by the *NEA Jazz Masters on Tour*, they will have access to a Web-based jazz curriculum, and teachers will be offered an ancillary toolkit of materials to assist in the effective teaching of jazz. Here are some details:
 - *NEA Jazz Masters on Tour*. NEA Jazz Masters, the greatest living American jazz artists, are performing in a series of tours that will, over the course of several years, reach all 50 States. Each tour venue will include an educational outreach component. In 2007, regional festivals throughout the country will feature NEA Jazz Masters in performance and residencies.
 - *NEA Jazz in the Schools*. Jazz at Lincoln Center, in partnership with the Arts Endowment, designed, developed, and produced educational

materials focusing on jazz and its cultural contributions and significance as America's truly indigenous art form. The Web-based curriculum was designed for high school music, social studies, and history teachers, and reflects national education standards in all three areas. The comprehensive Web site includes sample lesson plans and assessment tools, as well as an interactive timeline, essays, musical clips, and photographs that document the history of jazz in America. The ancillary toolkit – available free to schoolteachers – includes print, audio, video, and digital materials.

- ***The Big Read***, the literary component of *American Masterpieces: Three Centuries of Artistic Genius*. Educational materials similar to those created for *Shakespeare in American Communities* will be developed.
- ***Poetry Out Loud: National Recitation Contest*** is expected to involve 250,000 students during 2006. Standards-based curriculum materials, including poetry anthologies and an audio CD, are being provided free of charge to all participating schools.

See the Impact tab for more information on these initiatives.

- D. **Model Programs**. The Arts Endowment provides leadership in arts education through model programs that deepen and strengthen the Agency's arts education portfolio. These programs utilize our Nation's experts, leading arts organizations, and public partners to advance innovation in arts education. Three projects develop and support best practices in arts education, allowing the Arts Endowment to disseminate the results to the field, while improving program designs by teaming with distinguished professional evaluators.
- ***National Endowment for the Arts Summer Schools in the Arts for Children and Youth*** raise the quality and availability of arts education by supporting and expanding summer arts schools at the K-12 level. With Arts Endowment assistance, participants design standards-based arts curricula, immerse students in the history, theory, and performance of various art forms, and provide intellectual and creative experiences to challenge our students. Summer School providers work with national experts to design assessment tools to provide evidence of program success and learning. The Arts Endowment requires outside evaluation of the effectiveness of these programs.
 - ***National Endowment for the Arts Teacher Institutes*** provide professional development for teachers and teaching artists. Instruction focuses on in-depth learning about an artistic masterwork ("anchorwork") in a specific discipline. Anchorworks include George

Rickey sculptures, Shakespeare's plays, and the Boston Public Library building. Teachers study this work, create art within the discipline, and then devise curriculum related to the anchorwork. The Teacher Institute concludes by assisting teachers in developing student assessment tools related to teaching about their anchorwork. Teachers critique and evaluate one another's curricula throughout the Institute. Finally, throughout the Institutes, an outside evaluator collects data in order to assess the viability of this model program. The goal of the program is for teachers to leave the Institutes better prepared to offer outstanding standards-based instruction and assessment in the arts.

- ***National Endowment for the Arts School Leader Institutes*** raise the quality and availability of arts education in schools by bringing together individuals such as State arts and education leaders; national figures in arts education; and local superintendents, principals, teachers, and teaching artists for focused planning on providing sequential, standards-based curriculum and assessments in K-12 arts education. Through these leadership institutes, the Arts Endowment encourages the delivery of quality arts education to all children by supporting the development of policy, programming, and partnership within the States.

Additional information can be found under the Impact tab.

PARTNERSHIPS FOR THE ARTS

I. Introduction

The Arts Endowment works in partnership with a substantial network of public, private, and nonprofit agencies and organizations to carry out its mission of serving all Americans. Through partnership projects and the following strategies, the Arts Endowment helps to make available quality arts activity in communities throughout all 50 States and six special jurisdictions:

- Partnership Agreements with State Arts Agencies (SAAs).
- Partnership Agreements with Regional Arts Organizations (RAOs).
- National Initiatives.
- Working with the Private Sector.
- Working with Other Federal Agencies.

II. Funding

The FY 2007 request will enable our State and regional partners to receive \$39,544,000 as follows:

Basic State and Regional Agreements	\$ 23,578,000
Underserved Set-Aside	\$ 6,386,000
Challenge America: Reaching Every Community	\$ 5,639,000
American Masterpieces	\$ <u>3,941,000</u>
Total Partnerships for the Arts Request	\$ 39,544,000

In addition, \$1,700,000 of Direct Endowment Grants funds will be made available to support arts education projects through Partnership Agreements, and another \$300,000 for certain interagency agreements.

III. Strategies

A. State Partnerships

As our public agency partners, SAAs greatly extend the Arts Endowment's reach and impact, translating national leadership into local benefit. By

statute, the 56 SAAs – together with their six Regional Arts Organizations – receive 40 percent of the Arts Endowment’s grantmaking funds.

State appropriations to SAAs, after several consecutive years of declining appropriations, showed modest gains this year, totaling \$327.5 million for FY 2006. While this was an overall increase of approximately eight percent from 2005 to 2006, half of that growth occurred in one State – Florida. Excluding Florida from the national totals, State appropriations showed slight growth of four percent. Despite these signs of improvement, some SAAs were still operating under severe budget constraints.

Total State Appropriations to State Arts Agencies 2002-2006 ¹					
(\$ in Millions)					
<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	\$ Change ‘02-‘06
411.6	357.6	281.1	302.4	327.5	-84.1

The support provided by the Arts Endowment is vital to the SAAs and their RAOs, serving as a source of stability – especially important in difficult economic times. One cannot overestimate the stabilizing role played by Arts Endowment funds as State Governors and legislatures contemplate difficult choices, including continuity of their SAAs.

As they carry out their State plans, the SAAs work cooperatively with the Arts Endowment to accomplish common goals. Through Partnership Agreements, the Arts Endowment currently supports SAAs through five components:

1. Basic State Plan provides funds that SAAs use to address priorities identified at the State level.
2. Arts Education provides support for those elements of the State Plan that address arts education. The SAAs are essential partners of the Arts Endowment in advancing quality arts learning for children and youth.
3. Arts in Underserved Communities provides support for those elements of a State’s plan that foster the arts in rural, inner-city, and other underserved communities (e.g., those that lack access to arts programming due to geography, economic conditions, ethnic background, or disability).
4. Challenge America: Reaching Every Community provides funds to the SAAs in the 50 States, the District of Columbia, and Puerto Rico for

¹ Source: National Assembly of State Arts Agencies, 1/18/06 press release.

activities that assist the Arts Endowment in our goal to make the arts more widely available in communities throughout the country.

5. *American Masterpieces: Three Centuries of Artistic Genius* funding is made available to the SAAs to ensure, through presentation, touring, and education projects in the schools, that Americans – in every State in the Nation and in communities of all sizes – are provided opportunities to celebrate the greatest American works across all the arts.

B. Regional Partnerships

Regional Arts Organizations were created by State arts leaders, in partnership with the Arts Endowment and the private sector, to transcend State boundaries to provide public access to quality arts programming. They respond to the special needs of each region and have proven their effectiveness, particularly in assisting the Arts Endowment and other funders in touring theater and dance performances and arts exhibitions regionally and nationally.

The Arts Endowment supports the RAOs through Regional Partnership Agreements. In addition to supporting programs developed at the regional level with their member SAAs, these funds support the “NEA Regional Performing Arts Touring Program” (a *Challenge America: Reaching Every Community* initiative). The purpose of this program is to provide all Americans with access to excellence in the live performing arts.

C. National Initiatives

With the goal of providing excellent art to Americans in small and mid-sized communities in all 50 States, the Arts Endowment began a series of National Initiatives in FY 2003. With these programs, the Arts Endowment introduces Americans to their rich cultural heritage through projects of indisputable artistic merit. Essential to all these initiatives is providing educational experiences for school age children and exceptional arts education materials to schoolteachers and students.

National Initiatives are complex projects that require multiple partners to implement. Typically, the Arts Endowment cooperates with State Arts Agencies, Regional Arts Organizations, other Federal agencies, private presenters, arts organizations, private funders, and education leaders, including teachers in the classroom. As previously reported, the Arts Endowment’s first National Initiative, *Shakespeare in American Communities*, has already been a tremendous success, largely because of its extensive network of partnerships, including Arts Midwest (an RAO), the participating professional theatre companies, local venues, schools, teachers,

and parents. In 2004, we expanded the *NEA Jazz Masters* program into a National Initiative using similar partnerships.

American Masterpieces: Three Centuries of Artistic Genius, introduced in Fiscal Year 2005, builds on the success of the other National Initiatives, using multiple partners to provide Americans with the best of their artistic legacy. Forty percent of this initiative's funding is made available to the SAAs and their RAOs to ensure, through presentation, touring, and education projects in the schools, that Americans – in every State in the Nation and in communities of all sizes – are receiving opportunities to celebrate the greatest American works across all the arts (see Impact tab).

As mentioned earlier, in FY 2006 we are piloting *The Big Read* in response to the enormous challenges identified by the Arts Endowment's *Reading at Risk* report. This initiative is intended to rejuvenate literature's role in American popular culture and bring the transformative power of literature into the lives of American citizens. State Arts Agencies and their Regional Arts Organizations will play a significant role in this initiative as well.

The State Arts Agencies also play a critical role in our *Poetry Out Loud: National Poetry Recitation Contest* initiative. All 51 agencies (including the District of Columbia) and the Poetry Foundation will sponsor State championships in each State capital during Spring 2006; the champions will compete in the national finals in May in Washington, D.C.

D. Working with the Private Sector

Generating support from the private sector is at the core of all of the Agency's programs, projects, and initiatives. The Arts Endowment's grants require a minimum one-to-one match from non-Federal sources – whether awarded to a nonprofit or a government agency such as a State Arts Agency. Based on information provided by our grant recipients, we estimate that \$500 million or more is generated annually as match for Arts Endowment-supported awards.

Partnerships are particularly important for implementation of the Agency's national initiatives. *Shakespeare in American Communities* and *Operation Homecoming: Writing the Wartime Experience*, for example, would not have been possible without the generous support of The Sallie Mae Fund and The Boeing Company, respectively. Expansion of the *NEA Jazz Masters* program has been supported with assistance from Verizon – both the company and the Foundation – and the Doris Duke Charitable Foundation; The Boeing Company has contributed additional funds for *Great American Voices Military Base Tour: Unforgettable Melodies from Opera & Broadway*, our 2006 military touring project; and the Poetry

Foundation is supporting *Poetry Out Loud: National Poetry Recitation Contest*. The Arts Endowment anticipates additional partnerships as it develops and implements its national initiatives.

E. Working with Other Federal Agencies

The Arts Endowment enters into partnerships with other Federal agencies to carry out quality projects of mutual interest. In some of the partnerships, the partnering Federal agency transfers funds to the Arts Endowment for inclusion in our grantmaking; in other cases, we contribute funds to their projects to support an arts component or emphasis.

A recent example of such a partnership is the production of the booklet *Before and After Disasters: Federal Funding for Cultural Institutions*, produced with the Federal Emergency Management Agency and the nonprofit organization, Heritage Preservation. The booklet, issued in September 2005, provides information on Federal assistance for preparedness, mitigation, and response, as well as for recovery.

Another example of a Federal partnership is the exhibition, *Inspirations from the Forest*. In commemoration of the Centennial of the USDA Forest Service, the National Endowment for the Arts has joined with the Smithsonian Institution's Center for Folklife and Cultural Heritage and the Forest Service, to produce a 16-panel exhibition featuring the work of visual artists, musicians and writers. Throughout 2006, the exhibition will tour to 33 venues located in or near National Forests or Grasslands in 21 States. At each venue, the exhibition will be accompanied by a live presentation by a nationally recognized artist, including many National Endowment for the Arts National Heritage Fellows. Available at venues will be a learning guide for younger visitors and a resource directory of individuals, publications, and websites related to the arts and the environment. The exhibition also is available online.

This project is a natural outgrowth of the Arts Endowment's decade-long partnership with the Forest Service on the *Arts and Rural Community Assistance Initiative*, which has provided art to rural and underserved communities in 29 States – strengthening connections between the arts, natural resources, and rural community development.

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IMPACT

In this section, we provide documentation of the impact of the Agency's programs in three parts:

- I. Program Accomplishments
- II. Achieving Agency Performance Goals
- III. Research and Analysis

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I. Program Accomplishments include:

Artistic Reach. Based on data provided by grantees, the Arts Endowment projects that our FY 2006 direct grants will result in an estimated:

- 30,000 concerts, readings, and performances.
- 4,000 exhibitions (including visual and media arts).
- 8,000 artist residencies in schools and other locations.

With FY 2007 funding at a level comparable to that of FY 2006, we would expect similar accomplishments.

Community Outreach. The Agency is committed to ensuring complete national coverage. Through its grants programs, the Arts Endowment has attained extraordinary reach with modest resources. During FY 2006 we will make more than 2,000 awards resulting in an estimated:

- 82 million individuals benefiting from Agency programs – exclusive of television and radio broadcast audiences.
- 7 million children and youth benefiting from our programs.
- 100 percent of Congressional districts receiving a direct grant.
- 3,700 communities participating in Agency-sponsored, discretionary projects - many resulting from projects, such as touring and outreach, that take place in communities beyond that of the grant recipient.
- 12,000 community organizations partnering with grantees on supported projects.
- 2,800 communities participating in projects funded through a combination of Federal funds and State Arts Agency and Regional Arts Organization

Impact

funds; of these, 1,800 are reached through grants made solely with Federal funds.

Funding Catalyst. The Arts Endowment requires a rigorous, one-to-one match by recipients of Federal grant funds. In recent years, this has resulted in:

- \$500 – 600 million in matching support annually; in our direct grantmaking categories alone, this translates into a ratio of matching to Federal funds of greater than 7:1, far exceeding the required match.

II. Achieving Agency Performance Goals through the following programmatic efforts:

Grants for Arts Projects: Access to Artistic Excellence. Through Access to Artistic Excellence, the Arts Endowment encourages and supports artistic excellence, preserves our cultural heritage, and provides access to the arts for all Americans.

- More than 80% of the Agency's FY 2006 Direct Endowment Grant funds will be devoted to this effort, reflecting the high priority afforded to ensuring access to the arts for all Americans. The following table presents highlights of recent accomplishments made possible with this funding.

Access to Artistic Excellence
Selected Performance Results – FY 2003-2006

Fiscal Year	Total Audience	Children/ Youth	Concerts/ Readings/ Performances	Exhibitions	Artist Residencies
2003 Current	55 m	4.3 m	29 k	4 k	5 k
2004 Current	61.5 m	6 m	30 k	4.6 k	4.8 k
2005 Current	80 m	6 m	27 k	4 k	5 k
2006 Projected	60-90 m	4-7 m	25-30 k	3-5 k	4-7 k

[Numbers are rounded. k=thousand; m=million.]

Listed below are examples of recent Access to Artistic Excellence grants.

- **Gadsden Cultural Arts Foundation in Gadsden, Alabama**, was awarded a \$10,000 matching grant to support audience-building programs through a series of more than 100 music performances including the region's bluegrass, folk, and gospel music, as well as Latino and chamber music. The Foundation also sponsored a fiddlers' competition and other entertainment during Gadsden's annual downtown *G.R.I.T.S. festival*.

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- In **Nevada City, California, the North Columbia Schoolhouse Cultural Center**, was awarded a \$10,000 matching grant to support the third *North Columbia Folklife Festival*. The festival will focus on the cultural traditions of one of the ethnic groups in California and offer a variety of performances and arts and crafts.
- **David Taylor Dance Theatre in Littleton, Colorado**, was awarded a \$10,000 matching grant to support the 2006 *Rural Colorado Community Tour*. The contemporary ballet company will visit small rural towns in the State during 2006, presenting dance performances, master classes, and workshops for nearly 10,000 people, including 4,000 children and youth.
- **Idaho Dance Theatre in Boise, Idaho**, was awarded a \$10,000 matching grant to support performances and educational outreach programs that will reach 1,000 students in rural communities in Idaho.
- The **Sterling and Francine Clark Art Institute in Williamstown, Massachusetts**, was awarded a \$65,000 matching grant to support the publication of a catalogue of the 19th-century European paintings in the permanent collection. The paintings, more than 300 of them, are the last major collections in an American museum to be documented in a publication.
- In **Hendersonville, North Carolina** the **Center for Craft, Creativity and Design** was awarded a \$45,000 matching grant to support the researching, writing, and editing phase of the textbook *20th Century American Studio Craft*, a survey of craft history. Writers and critics Janet Koplos and Bruce Metcalf are the authors of the textbook, which will be structured to coordinate with a typical one-semester college course.
- **Lyric Theatre of Oklahoma in Oklahoma City** was awarded a matching grant of \$18,000 to support the presentation of *Jesus Christ Superstar*. As the centerpiece of the 2005 Summer Season, the project included the training of a youth ensemble to participate in the production that reached 9,000 people.
- **Cook Forest Sawmill Center for the Arts in Cooksburg, Pennsylvania**, was awarded a \$10,000 matching grant to support the 2006 *Dulcimer/Folk Music Workshop and Festival*. Over a two-day period in September, the Sawmill Center will host nearly 30 one-hour workshops for beginners through advanced players of the dulcimer and other instruments used in folk music. The festival will culminate in a concert at the Sawmill's Verna Leith Theater.
- **Wheeling Symphony Society in West Virginia** used a \$10,000 matching grant to support *Young People's Concerts* with guest artist, mime Dan Kamin, that reached 19,000 students at more than 100 schools in rural West Virginia. Participating schools also received teachers' guides and CDs to develop interest in the concerts.

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- The **Children's Chorus of Maryland** in **Towson** was awarded a \$10,000 matching grant to support a special 30th anniversary concert. The Chorus will be joined by other children's choral groups and the CCM Alumni and Friends Chorus in a performance of new repertoire composed or adapted for young voices.
- **Delta State University** in **Cleveland, Mississippi**, was awarded a \$10,000 matching grant to support *The Mississippi Blues Heritage Trail*, an initiative involving some 20 community organizations. The trail will celebrate Mississippi's rich blues heritage and related stories, places, people, and events at high profile locations, eventually covering the entire State.
- **Churchill Arts Council** in **Fallon, Nevada**, received a \$28,000 matching grant to support a series of musical performances in recognition of the Council's 20th anniversary. Performances are featuring jazz, folk, rock, classical, and world music at the Council's recently refurbished Oats Park Art Center.
- **Opera North** in **Lebanon, New Hampshire**, received a \$10,000 matching grant to support the *Young Artist Program* for singers. The professional development project also provided opportunities for the singers to perform in supporting operatic roles, primary roles in family matinee productions (for roles they served as understudies), and community outreach activities. More than 12,000 individuals – including 4,500 children and youth – benefited from this project.
- In **New Mexico**, the **Carlsbad Irrigation District** was awarded a \$10,000 matching grant to support the *Light the Flume* project. A professional design and lighting installation will illuminate a national historic landmark, the Carlsbad Flume, located in the northwest gateway to the City of Carlsbad.
- In **Fargo, North Dakota**, the **Plains Art Museum** was awarded a \$25,000 matching grant to support the commissioning of a work by American artist and native North Dakotan, James Rosenquist, and related educational activities that will reach 6,000 students. The work will be mounted on a 40' by 40' wall in the museum's atrium.
- **Utah Symphony & Opera** in **Salt Lake City** was awarded a \$30,000 matching grant to support a consortium project for the development of *The Grapes of Wrath*, a new opera by composer Ricky Ian Gordon and librettist Michael Korrie. Co-commissioned with the Minnesota Opera, the project will include a semi-staged public reading of excerpts in 2005 and a 10-day workshop period followed by a semi-staged concert in 2006.

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- In **Montpelier, Vermont**, the **Craft Emergency Relief Fund** was awarded a \$20,000 matching grant to support expansion of their Web site for craft artists. The expanded site will include a clearinghouse of information and resources to assist with disaster relief and prevention, as well as with business planning, risk management, and health and safety. This project will include 40 community organizations as partners.
- In **Arlington, Virginia**, **Playtime Productions** was awarded a \$6,000 matching grant to support the creation and presentation of a multidisciplinary production of Goethe's *Faust*.
- **Wausau Dance Theatre** in **Wisconsin** used their \$10,000 matching grant to support a production of *Alice in Wonderland*, and associated educational activities that reached 10,000 children and youth in 25 schools. Project events also included explorations of the production's costume development, public readings, and tea parties designed to inform school children, families, and senior citizens about the process of creating the ballet.

In addition to the activities noted above, through our *Arts on Radio and Television funding area*, we support nationally broadcast performances on radio and television that reach, through both single and recurring programs, a combined audience of 350-450 million annually. Examples of such awards include:

- In **Anchorage, Alaska**, **Koahnic Broadcast Corporation** was awarded \$25,000 to support the production of the weekly radio series "Earthsongs." The program features recordings and live performances of contemporary Native American music, and is expected to reach a broadcast audience of more than 3 million.
- The **Tundra Club** in **Bozeman, Montana**, received a \$35,000 matching grant to support the production and national distribution of *(Hearing Voices)*, a series of radio art specials that are expected to reach a broadcast audience of 1 million. Twelve hour-long programs are to present classic works combined with new stories created by established and emerging radio producers.
- **West Virginia Public Broadcasting Foundation** in **Charleston** received a \$25,000 matching grant to support the production and broadcast of the radio series *Mountain Stage*. Distributed by Public Radio International to 106 stations throughout the United States, the weekly, two-hour program presents contemporary music and traditional roots performers to an annual audience of 10 million.

Save America's Treasures grants support the preservation and/or conservation of nationally significant intellectual and cultural artifacts and historic structures and sites. Since the start of the program in 1999, the Arts Endowment has been responsible for the review of applications requesting funds for the conservation of nationally significant art works and collections. By the end of FY 2006, the Arts

Impact

Endowment will have awarded 65 grants totaling \$12,266,071 with *Save America's Treasures* funds transferred to the Arts Endowment from the National Park Service. These funds are matched with at least an equal amount of non-Federal funds.

The Arts Endowment also supports *innovative initiatives* that bring public officials together with design professionals to discuss community design and land use issues. Through the *Governors' Institute on Community Design*, *Mayors' Institute on City Design*, and *Your Town: Citizens' Institute on Rural Design*, the Arts Endowment is improving the livability of communities throughout the United States. Each year, approximately 60 communities – rural, urban, and regional – and 400 community leaders, designers, and planners participate in these workshops, ultimately benefiting the millions of residents of their respective communities.

In response to the effects of Hurricane Katrina in 2005, the *Mayors' Institute on City Design* hosted mayors from New Orleans, Biloxi, Gulfport and other Gulf Coast cities affected by the hurricane during two special design institutes in November. The local mayors had the opportunity to discuss design principles, priorities and strategies for rebuilding with a nationally renowned team of experts headed by Charleston (SC) Mayor Joseph P. Riley, Jr., who led his city's highly successful revitalization following the devastation of Hurricane Hugo in 1989. Mayor Riley founded the *Mayors' Institute* in 1986.

International Activities provide a vehicle for promoting the presentation of American arts and artists at international venues; encouraging exchanges of U.S. artists with artists of other nations; and supporting residencies of foreign artists in the United States. Since the U.S. re-entry into UNESCO in 2003, the Agency has been called upon on numerous occasions to represent our Nation's arts and culture in this important international forum. The Arts Endowment Chairman serves as head of the cultural sector committee of the U.S. National Commission on UNESCO.

Examples of the Agency's ongoing international projects include:

- *International Art Connections Residencies*, an artistic exchange with Central Europe, Eurasia, and Russia.
- *U.S./Japan Creative Artists' Program* that supports residencies of U.S. artists in Japan.
- *Open World Russian Cultural Leadership Program*, in which the Arts Endowment provides expertise and support for the *Open World Leadership Center's* programs that bring Russian cultural leaders and artists to the U.S. for short-term residencies.
- *U.S. Artists International*, a program to support performances of American dance and music ensembles at festivals in countries of the European Union.

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We estimate that through these initiatives, more than 50 professional arts organizations and nearly 275 artists will provide performances, exhibits, and other arts activities in 23 countries in FY 2007.

Grants for Arts Projects: Learning in the Arts for Children and Youth.

Agency-supported projects help children and youth acquire knowledge, skills, and understanding of the arts in school-based and community-based settings. The following table presents highlights of recent accomplishments made possible with this funding.

Learning in the Arts
Selected Performance Results – FY 2003-2006

Fiscal Year	Children/ Youth	Concerts/ Readings/ Performances	Artist Residencies
2003 Current	1 m	5 k	2.7 k
2004 Current	3 m	4.5 k	6.5 k
2005 Current	.8 m	3- k	3.5 k
2006 Projected	.75-1.0 m	3-5 k	3-4 k

[Numbers are rounded. k=thousand; m=million.]

Listed below are examples of recent Learning in the Arts grants.

- In **Santa Ana, California**, the **Pacific Symphony Association** was awarded a \$50,000 matching grant to support the *Class Act Music Education Program*. The project pairs Orange County schools with orchestral musicians in year-long, sequentially structured classroom programs and concert experiences that are expected to benefit 26,000 students.
- **The Bardavon 1869 Opera House in Poughkeepsie, New York** received a \$22,500 matching grant to support the *Young Playwrights Festival* program. Students are participating in classes with a resident writer and theater producer, culminating in rehearsals and staged readings performed by professional actors.
- **Bradford County Regional Arts Council in Pennsylvania** was awarded a \$25,000 matching grant to support *Learning Communication Skills Through the Arts*, an artist residency program serving children from low-income, rural families. Resident artists also provide training in *Head Start's Creative Curriculum* for early learning in the arts for teachers and parents.
- **Allied Arts of Greater Chattanooga in Tennessee** was awarded a \$10,000 matching grant to support *Advancing Arts through Literacy*. Local teaching artists team with kindergarten to third-grade Hamilton County classroom

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teachers from twelve schools to develop and implement a curriculum that promotes reading and writing through dance, theater, and visual arts.

- **The Tacoma Symphony Orchestra in Washington** received a \$15,000 matching grant to support the *Simply Symphonic* music education program. This integrated elementary school music education program is offered at no cost to a projected 6,000 students in 90 Pierce County public and private schools.

Our awards also support efforts to recognize best practices and exemplary and innovative research that explore the impact of learning in the arts on the cognitive and social development of children and youth, and their future economic opportunities. Examples of such activity include:

- *NEA Summer Schools in the Arts* which, using arts education standards-based curricula, immerse students in the history, theory, and performance of various art forms, and provide intellectual and creative experiences linked to school-year coursework. In FY 2006, approximately 25 grants to model programs will provide direct benefit to an estimated 3,500 students.
- *NEA Arts Teacher Institutes*, piloted in 2005, enable 325 teachers each year to receive professional development in constructing and using standards-based assessments. Assuming – conservatively – each teacher instructs 200 students over a school year, some 65,000 students benefit from this program each year.
- *NEA Institutes for School Leaders* bring together – often for the first time – key State-level education and arts leaders for focused planning on providing sequential, standards-based curriculum and assessments in K-12 arts education. Participants include representatives from offices such as the Governor, State Department of Education, State Arts Agency, and local school superintendents, principals and teachers. The first Institute was held in Ohio in 2004.

Through *Partnerships for the Arts*, the Arts Endowment joins with a substantial network of public, private, and nonprofit agencies and organizations to develop and maintain partnerships that support excellence in the arts, both new and established; bring the arts to all Americans; and provide leadership in arts education.

- Forty percent (40%) of the Agency's grantmaking funds are made available to the State Arts Agencies and their Regional Arts Organizations through Partnership Agreements. In an average year, 2,800 communities are reached through these agreements, in addition to those reached through the Agency's direct grantmaking. Of these, 1,800 are enriched through projects supported entirely with Arts Endowment funds.

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- Federal Partnerships include the *Coming Up Taller* awards, a cooperative venture among the Arts Endowment, the Humanities Endowment, the Institute for Museum and Library Services, and The President's Committee on the Arts and the Humanities; *Inspirations from the Forest* in partnership with the U.S. Forest Service and the Smithsonian Institution's Center for Folklife and Cultural Heritage; and the "Creativity and Aging" study in partnership with the National Institutes of Health and the Department of Health and Human Services.
 - The Arts Endowment partnered with the Department of Health and Human Services (Center for Mental Health Services) and the National Institutes of Health (National Institute of Mental Health), as well as AARP and private foundations to sponsor and monitor a four year study, "Creativity and Aging," conducted by the Center on Aging, Health & Humanities at The George Washington University. The study's findings were presented at the 2005 White House Conference on Aging. The control study measured the mental and physical health, as well as social activity of 300 older people in Brooklyn, San Francisco, and Washington, D.C. Participants ranged in age from 65 to 99, and had to live independently at the beginning of the control study. According to the study's findings, participants who were actively involved in high quality arts programs reported better overall health, fewer doctor visits, a lower use of medications, fewer falls, more energy, and increased involvement in social activities in comparison to the non-arts control group. In addition, arts participants reported lower levels of loneliness, higher morale, and better vision than their counterparts. These findings are all statistically significant.
 - The \$10,000 *Coming Up Taller* awards recognize and focus national attention on exemplary after-school programs that foster the creative and intellectual development of America's children and youth through education and practical experience in the arts and the humanities. In celebrating the 2005 recipients of the *Coming Up Taller* awards, Mrs. Laura Bush remarked that "the programs offer safe environments that encourage enthusiasm for learning and teach skills necessary for personal, academic, and future professional success."
 - *Inspirations from the Forest*, a 16-panel exhibition featuring the work of visual artists, musicians and writers, will tour to 33 venues located in or near National Forests or Grasslands in 21 States during 2006. At each venue, the exhibition will be accompanied by a live presentation by a nationally recognized artist, including many National Endowment for the Arts National Heritage Fellows. Available at venues will be a learning guide for younger visitors and a resource directory of individuals, publications, and websites

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related to the arts and the environment. The exhibition also is available online.

National Initiatives serve the American people through multi-faceted programs of indisputable artistic quality and merit, with broad national reach and multi-media educational materials. Begun in 2003, this strategy embodies the Agency's four-pronged commitment to artistic excellence, public accessibility, arts education, and partnership. Highlights of current national initiatives follow.

- *American Masterpieces: Three Centuries of Artistic Genius* celebrates our Nation's greatest artistic achievements with performances, exhibitions, tours, and educational programming in all 50 States. This initiative started with a pilot phase in FY 2005 focused on the visual arts – with 11 institutions touring exhibits that are expected to reach nearly 4 million people in 45 communities throughout the country. The inaugural exhibition, “Modernism in American Silver: 20th Century Design,” featured more than 200 outstanding examples of American craftsmanship drawn from the collection of the Dallas Museum of Art.

American Masterpieces is expanding in FY 2006 with support for dance, choral music, and musical theater. For example, the *American Masterpieces – Choral Initiative* will launch in June 2006 with grants to choral festivals in up to six regions of the country. Each choral festival will engage local choruses in each community. Projected audiences in excess of 10,000 – plus choristers – are expected to benefit.

With FY 2007 funds, through competitive grants processes we can expect the following:

- 200 communities will be served.
- 600,000 individuals will attend *American Masterpieces* performances and exhibitions.
- 200,000 individuals will participate in outreach and enrichment activities.
- 70,000 students will participate in *American Masterpieces* activities.

American Masterpieces now includes a literary component as well, developed in response to the Agency's research study, *Reading at Risk: A Survey of Literary Reading in America*, which revealed an alarming decline in literary reading. In FY 2006 the Agency launched *The Big Read*, intended to encourage all Americans to discover the joys of reading literature.

- *The Big Read*, the core literary reading component of *American Masterpieces*, is based on the “City Reads” concept of community-wide reading. Ten applicant cities – from large metropolises like Miami to tiny

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Enterprise, Oregon (see table below) – are participating in a pilot project, with an estimated 100,000 adults and teens participating over a period of four to six weeks. The pilot programs will feature books by 20th century American authors: F. Scott Fitzgerald’s *The Great Gatsby*, Harper Lee’s *To Kill a Mockingbird*, Ray Bradbury’s *Fahrenheit 451*, and Zora Neale Hurston’s *Their Eyes Were Watching God*. Each locale will develop its own program of activities related to the selected novel, in collaboration with community partners including schools and colleges, arts organizations, and local government. In cooperation with Arts Midwest, a regional arts organization based in Minneapolis, the Arts Endowment is providing participating communities with free program materials including an organizer’s guide, reader’s guides for each of the four novels, a CD featuring distinguished actors and writers, and a program Web site. For Miami, materials are being provided in both English and Spanish. Each community will also receive technical assistance in implementing and promoting the program.

The Big Read Sites

CITY	STATE	PROJECTED DATE	BOOK	POPULATION SERVED *
Little Rock	AR	April 2-8, 2006	<i>The Great Gatsby</i>	State-wide program: 2.7 million
Enterprise	OR	February-March, 2006	<i>Fahrenheit 451</i>	Enterprise: 1,895 Wallowa County: 6,976
Miami	FL	April 27-May 25, 2006	<i>Fahrenheit 451</i>	Miami-Dade & Broward counties: 4.1 million
Fresno	CA	March 12-April 9, 2006	<i>To Kill a Mockingbird</i>	451,455
Huntsville	AL	April 2006	<i>The Great Gatsby</i>	164,237
Buffalo	NY	May 2006	<i>Fahrenheit 451</i>	285,018
Minneapolis/ St. Paul	MN	March 2006	<i>Their Eyes Were Watching God</i>	Twin Cities: 653,592
Boise	ID	Introduce in February; kick-off event in April	<i>Fahrenheit 451</i>	190,117
Brookings / Sioux Falls	SD	March 15-April 15, 2006	<i>To Kill a Mockingbird</i>	Sioux Falls: 152,338
Topeka	KS	February 2006	<i>Their Eyes Were Watching God</i>	County: 171,716

* Source: United States Census 2000: current (2003 or 2004) estimates.

With sufficient funding in the 2007 budget, and based on evaluation of the pilot program, we plan to expand this program to all 50 States, reaching one million individuals in 100 cities nationwide.

Other national literary initiatives include:

- *Poetry Out Loud: National Recitation Contest*, a high school program that encourages students to memorize and perform great poetry, will expand from a two-city pilot in 2005 to all 50 State Capitals and the District of Columbia in 2006. The Arts Endowment has partnered with The Poetry Foundation, which is

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matching Federal funds dollar for dollar. The response from District of Columbia and Chicago metropolitan area students to the pilot program was impressive, with some 4,000 students participating. Ninety-five percent of participating teachers reported that their students enjoyed the contest, and *every* responding teacher asked to participate again.

The 51 State Arts Agencies (including DC) are working with high schools to conduct State-level competitions during Spring 2006. We estimate that more than 1,000 schools will participate, involving 250,000 students. The *Poetry Out Loud* National Finals will take place in Washington, DC on May 16, 2006. The program is expected to expand to more schools in each State in 2007.

- *Literary Events*, such as book festivals that highlight our country's rich literary heritage at key historic sites linked to American writers such as Willa Cather at Homestead National Monument in Beatrice, Nebraska, and the Carl Sandburg Home National Historic Site in Flat Rock, North Carolina.
- *The Poetry Pavilion* at the annual National Book Festival on the National Mall in Washington, D.C., where the Arts Endowment sponsors a full day of public readings and discussions featuring prominent national poets and critics. The Arts Endowment's poetry event was supported in 2005 with a \$100,000 donation from Freddie Mac.
- *Shakespeare for a New Generation* represents the current phase of the *Shakespeare in American Communities* initiative, the first of the Agency's National Initiatives, launched in New London, Connecticut in September 2003. Since then, the program has:
 - Provided professional Shakespeare productions to more than 1,100 communities throughout the Nation through some 1,500 performances.
 - Entertained 325,000 community audience members.
 - Provided performances and educational activities for more than 200,000 students in 1,900 middle and high schools.
 - Reached 11 million students through the free distribution of 30,000 Shakespeare multi-media teacher toolkits in more than 17,000 middle and high schools, of which 35% are in rural communities.
 - The feedback received from teachers who responded to a survey of those who requested the toolkit has been enormously positive. The teachers reported that

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99.6% of their students demonstrated a better understanding of Shakespeare after use of the toolkit.

I love teaching Shakespeare, but students often have difficulty making relevant connections in their own lives. Through the video, my students were able to see and to hear Shakespeare through current, popular movie excerpts. Many of them were surprised that the lines were Shakespearean.

- Julie Shoemaker, English/Language Arts Teacher
Shelby County High School, Kentucky

I was told I couldn't teach classic literature to my (at risk) students because "these children couldn't comprehend such literature." I have proven everyone wrong and my children are craving more. ...I fell in love with your packet when one of my colleagues showed it to me.

- Zain Jacobs-Murdock, Language Arts Teacher
IS 59 Q, Queens, New York

- Provided professional performances of Shakespeare plays to military families at 18 military installations nationwide through a partnership with the Department of Defense, reaching an estimated 6,000 individuals.
 - Generated nearly \$900,000 in private sector support.
- *Operation Homecoming: Writing the Wartime Experience* was created by the Arts Endowment to help U.S. troops and their families write about their wartime experiences. Their letters, poems, stories, and memoirs will be collected into a national archive, and the best submissions will be published in a literary anthology.

Through this program, some of America's most distinguished writers have conducted workshops at military installations and provided educational resources to help the troops and their families share their stories. The Arts Endowment created an accompanying audio CD and online materials to inspire and develop writing skills.

In addition, the Arts Endowment toured the acclaimed one-man play *Beyond Glory*, in which Stephen Lang brings to the stage the personal accounts of Medal of Honor recipients.

Operation Homecoming has:

- At 33 military installations in the U.S. and overseas (Asia, Europe, and the Middle East, including on the USS Carl Vinson aircraft carrier in the Persian Gulf), provided writing

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workshops with distinguished authors, and presented live performances of *Beyond Glory* with Stephen Lang to 4,000 men and women. Another 20,000 individuals have utilized our online educational resources or received copies of our print materials, including the *Operation Homecoming* audio CD.

- Collected over 1,600 submissions written by troops and military families for the *Operation Homecoming* anthology and historical archive. The submissions are comprised of approximately 10,000 pages of writing.

The Arts Endowment secured more than \$800,000 in private sector support for the *Operation Homecoming* initiative.

Reactions from program participants reinforce the value of this effort:

I am a career officer and a two-time veteran of the war in Iraq. I am very excited about Operation Homecoming. Thank you so much for giving soldiers a voice and a place in American literature.

- Soldier deployed to Iraq

The writing I have been doing here on this deployment has helped me process what I have seen and place it into some sort of meaning or perspective for me. In turn, if it has meaning and perspective for me and helps me learn, then I hope that it does for others... I also believe that what you're doing will not only benefit the soldiers writing, but provide for a written history of the experiences of our time.

- Soldier deployed to Afghanistan

I am not sure if this [piece of writing] is what you are looking for... it addresses "war's profound impact" in its own way. This story involves the service members and their families and the mix of emotions involved with reunion. Please feel free to use it in telling a small part of the post September 11/ Global War On Terrorism story.

- U.S. Air Force chaplain

I was not prepared for the performance I witnessed. As Mr. Lang went through the trials and tribulations of selected Medal of Honor winners, their stories came alive with the raw passion and emotion that Stephen brought to the performance. I found myself with tears running down my cheeks, again, chuckling at some of the comic relief sprinkled within the stories. I sat through the whole performance, drained, only to

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be honored to render a standing ovation for a great performance!

- Marine Colonel who attended the *Beyond Glory* performance aboard the USS Carl Vinson, in the Persian Gulf

- The *NEA Jazz Masters* initiative represents a significant expansion of the Arts Endowment's historical support for jazz. With the assistance of over \$400,000 in private sector funding, it encompasses a comprehensive program that includes:
 - The *NEA Jazz Masters Awards*.
 - A 50-state *NEA Jazz Masters on Tour* with performances and educational activities.
 - Television and radio programming featuring NEA Jazz Masters, including *Legends of Jazz* and *NPR Jazz Profiles*.
 - A compilation CD produced by Verve Music Group.
 - The *NEA Jazz in the Schools* Web-based curriculum.

By the end of 2006, *NEA Jazz Masters on Tour* will have provided hundreds of performances in all 50 States, reaching a live audience of over 500,000 and an additional broadcast audience of 2.5 million. The *NEA Jazz in the Schools* curriculum, a free multimedia Web site and ancillary toolkit that uses jazz as a tool to teach American history, is expected to reach one million students in 10,000 schools nationwide. In 2007, the Arts Endowment will implement regional festivals throughout the Nation featuring NEA Jazz Masters in performance and residencies, with projected audiences in excess of 20,000.

- *NEA Arts Journalism Institutes* were established to improve arts criticism in the fields of classical music, opera, theater, musical theater, and dance. The Institutes provide in-depth instruction in the arts for journalists who cover the arts for print and broadcast outlets mainly outside the country's major media markets. Professional development opportunities for these critics are often limited.

The Institutes are convened at Columbia University in New York City, The University of Southern California in Los Angeles, and the American Dance Festival in partnership with Duke University in Durham, North Carolina. Each Institute employs a competitive application process to select 15-25 journalists. To date, seven Institutes have engaged 136 journalists from 102 communities in 41 States and the District of Columbia. Plans are being developed for another round of Institutes at the three sites in the coming year.

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Reactions from Institute participants reinforce the value of this program:

This institute was the most important professional development I have ever had. I can't imagine a more sound, ambitious or important program for a working arts journalist today.

- Jen Graves, staff writer, *The News Tribune, Tacoma, WA*

I learned so much about what goes into creating and producing a play, about the history of drama, theater and criticism and about the National Endowment for the Arts. I learned a lot about acting, too, and I know we only scratched the surface.

Donna Hartman, performing arts & features writer
Bradenton Herald, Bradenton, FL

I'm coming away not only with better knowledge about how to approach concert criticism, but also better understanding of the economics and societal forces that affect classical music today.

- Joe Nickell, arts and entertainment reporter,
Missoulian Daily Newspaper, Missoula, MT

- *Great American Voices Military Base Tour: Unforgettable Melodies from Opera & Broadway* provides performances of opera and musical theater classics for military families. In the summer of 2005, 24 professional opera companies received competitively awarded grants to tour to 39 military installations in 24 States, where they will perform for approximately 18,000 people (see table below). With each performance, a booklet and CD developed by the Arts Endowment as an introduction to opera and musical theater is distributed free of charge. In addition, educational activities will be provided for adults and students at each base to enhance their knowledge and appreciation of the music. The Arts Endowment has secured more than \$700,000 in private sector support for this initiative.

Great American Voices kicked off on July 4, 2005 at Camp Lejeune in Jacksonville, North Carolina, with a performance by Opera Carolina and the Winston-Salem Symphony for an audience of more than 15,000 Marines and their families. Camp Lejeune's standard July 4th entertainment, their own Second Marine Division Band, had been deployed to Iraq. Soon thereafter, at Naval Base Kitsap in Silverdale, WA, Seattle Opera performed to a capacity audience of 450 military personnel and their families.



Opera Company	Military Base	Date
Anchorage Opera	Elmendorf AFB (Anchorage, AK)	February 4, 2006
San Diego Opera Association	Camp Pendleton (Oceanside, CA)	January 24, 2006
San Diego Opera Association	MCAS Miramar (San Diego, CA)	March 3, 2006
San Diego Opera	NAS North Island (San Diego, CA)	TBD
The Santa Fe Opera	Naval Postgraduate School (Monterey, CA)	October 20, 2005
Los Angeles Opera	Twentynine Palms (Twentynine Palms, CA)	February 8, 2006
Opera Colorado	Fort Carson (Colorado Springs, CO)	January 25, 2006
Pensacola Opera	Eglin AFB (Valparaiso, FL)	March 17, 2006
Los Angeles Opera	Los Angeles AFB (Los Angeles, CA)	March 17, 2006
Orlando Opera	NAS Jacksonville (Jacksonville, FL)	May 12, 2006
Pensacola Opera	Tyndall AFB (Panama City, FL)	February 10, 2006
The Atlanta Opera	Albany Marine Corps Base (Albany, GA)	April 28, 2006
Atlanta Opera	Fort Benning (Columbus, GA)	April 21, 2006
Orlando Opera	Fort Stewart (Hinesville, GA)	May 10 & 11, 2006
Hawaii Opera Theatre	Naval Station Pearl Harbor (Pearl Harbor, HI)	January 29, 2006
Hawaii Opera Theatre	Schofield Barracks (Wahiawa, HI)	January 21, 2006
Lyric Opera of Kansas City	Fort Leavenworth (Leavenworth, KS)	October 15, 2005
Kentucky Opera Association	Fort Knox (Louisville, KY)	March 18, 2006 (tent.)
Fort Worth Opera Association	Fort Polk (Leesville, LA)	April 22, 2006
Opera Theatre of St. Louis	Fort Leonard Wood (Waynesville, MO)	Nov 4 (ed only)
Rimrock Opera Company	Malmstrom AFB (Great Falls, MT)	October 21, 2005

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Opera Company	Military Base	Date
Opera Carolina	Camp Lejeune (Jacksonville, NC)	July 4, 2005
Lyric Opera of Chicago	Grand Forks AFB (Grand Forks, ND)	June 7, 2006
Lyric Opera of Chicago	Minot AFB (Minot, ND)	June 9, 2006
Des Moines Metro Opera	Offutt AFB (Omaha, NE)	February 11, 2006
Washington National Opera	Picatinny Arsenal (Wharton, NJ)	January 18, 2006
Pittsburgh Opera	Fort Drum (Watertown, NY)	March 2, 2006
Washington National Opera	United States Military Academy (West Point, NY)	January 19, 2006
Michigan Opera Theatre	Wright-Patterson AFB (Dayton, OH)	December 22, 2005
Opera Carolina	Fort Jackson (Columbia, SC)	February 24, 2006
Kentucky Opera Association	Fort Campbell (Clarksville, TN)	March 25, 2006
Austin Lyric Opera	Fort Hood (Killeen, TX)	May 12, 2006 (tent.)
Fort Worth Opera Association	Lackland AFB (San Antonio, TX)	April 5, 2006
Fort Worth Opera Association	Randolph AFB (San Antonio, TX)	April 4, 2006
Fort Worth Opera Association	Sheppard AFB (Wichita Falls, TX)	April 7, 2006 (tent.)
Virginia Opera Association	Langley AFB (Newport News, VA)	March 26, 2006
Seattle Opera	Naval Base Kitsap (Silverdale, WA)	November 10, 2005
The Minnesota Opera Company	Fort McCoy (Sparta, WI)	November 15, 2005
Opera Colorado	F.E. Warren AFB (Cheyenne, WY)	February 23 & 24, 2006

Response to *Great American Voices* has been very positive, as bases strive to provide enriching cultural activities for families:

Your support provided over 15,000 military family members access to high quality American musical theater and opera along with an enjoyable and positive experience. Thank you for giving them a Fourth of July celebration that will long be remembered.

- Major General Robert Dickerson
Commanding General, Marine Corps Base Camp Lejeune

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Thank you so much for sending the Rimrock Opera to Malmstrom. As a mother I am always looking for opportunities for our children to smell, taste, touch, feel and hear the world around them. What a great experience it was for them, hopefully just fueling a desire within. Thanks again, your money was very well spent in Great Falls, Montana this morning.

- Dinah Thomas, Malmstrom Air Force Base

- III. Through Research and Analysis (R&A), the Arts Endowment provides important data to inform the American public, opinion makers, and the arts field. During the past year, the Agency expanded its commitment to R&A by improving the analyses and presentation of the findings. A prime example is *Reading at Risk*, which found that literary reading in America is in dramatic decline, with fewer than half of American adults now reading literature. The report documented a drop in reading in all groups studied, with the steepest rate of decline – 28 percent – occurring in the youngest age group. The Arts Endowment provided the survey findings in a report, executive summary, and press releases. The survey has been the subject of hundreds of news stories, op-ed pieces, and full length articles. This report and public reaction are key factors in the Arts Endowment’s decision to develop national literary initiatives, discussed elsewhere in this document.

Another product of the Arts Endowment’s Research Division is “Note #89,” *Arts and Leisure Activities: Evidence from the 2002 Survey of Public Participation in the Arts*, which demonstrates that arts participants – adults who read literature, listened to classical or jazz radio, or attended a performing arts event – were more likely to be engaged in their communities through volunteer and charity work and more physically active than non-participants.

In 2005, the Office of Research and Analysis began planning for the next iteration of the Arts Endowment’s national *Survey of Public Participation in the Arts* to be conducted in FY 2008. An advisory committee consisting of subject matter experts, researchers, and survey methodologists was convened and the results of their deliberations used to determine the design, execution, and content of the next survey. A survey pre-test will be conducted in FY 2006 and the final preparations completed in FY 2007.

In addition to designing and monitoring the Arts Endowment’s research activities, the Office of Research and Analysis is responsible for research publications and the development of the Agency’s revised Strategic Plan, which covers fiscal years 2006 through 2011, and is being submitted along with this FY 2007 budget request.

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PROGRAM SUPPORT

I. Introduction

The Program Support budget funds activities that directly relate to and enable the Agency to exercise leadership in and interact with the arts fields. These activities include grant application review, research and evaluation projects, production of various Agency publications, travel for panelists and members of the National Council on the Arts, and arts accessibility activities.

II. Funding

The Arts Endowment requests \$1,761,000 in FY 2007 for Program Support (see Table 5 for a breakdown of expenses).

Provided below are the categories through which we undertake Program Support activity.

- A. Panels and Reviewers. Critical to our work is our national merit review system. As required by law, the Arts Endowment engages expert advisors to review applications, enhancing the credibility and fairness of the review system. For FY 2007, the Agency requests \$590,000 for panelist and reviewer compensation and travel.
- B. Consultants. The Arts Endowment engages expert consultants to address important issues in the arts, including presentations at National Council on the Arts meetings, and to serve as readers for manuscripts submitted as part of the Literature Fellowship application review process. For FY 2007, the Agency requests \$108,000 for Consultants.
- C. On-Site Evaluations. An important aspect of our application review process is on-site applicant evaluations – particularly for the Opera and Theater fields. For FY 2007, \$200,000 is requested.
- D. Printing and Reproduction. The Agency produces several publications that directly relate to the arts fields, including brochures about Agency grant opportunities, and Council notebooks. Application guidelines are available from our Web site and only printed upon request. The Agency requests \$200,000 for these activities.
- E. National Council on the Arts Travel. Council travel covers costs associated with member travel to attend Council meetings, working groups, and other

Program Support

meetings including application review panels. We request \$36,000 to cover these costs.

- F. Research, Analysis & Evaluation. The Arts Endowment requests \$356,000 for this area.

- Research and Analysis. The Research Division produces unique data sets and analyses that provide important insights into public policy issues affecting artists, arts organizations, and arts audiences. Examples of this activity are the Agency's published report *Reading at Risk* (see III. B. below for more information) and *How the U.S. Funds the Arts*.
- Evaluation. Evaluation funds are primarily used to assess the impact, effectiveness, and/or efficiency of Agency programs and activities. Assessments include activities such as issue-oriented convening to inform program and policy development.

- G. AccessAbility. The Agency goal of increasing access to the arts for all Americans is achieved in part by addressing grantee compliance with Section 504 of the 1973 Rehabilitation Act and the 1990 Americans with Disabilities Act (ADA). For FY 2007, we request \$25,000 to support symposia, workshops, and panels that address accessibility issues.

- H. Other Services. The Agency requests \$86,000 for other services such as contractual services in support of National Initiatives; various costs in support of panel operations; and assistance with the Agency newsletter.

- I. E-Grants Assessments for Grants.gov and Grants Management Line of Business (GMLOB). The E-Grants initiative is part of the overall E-Government program for improving access to government services via the Internet.

The charter of Grants.gov, one of the 24 President's Management Agenda E-Government initiatives, is to provide a simple, unified electronic storefront for interactions between grant applicants and the Federal agencies that manage grant funds. Grants.gov allows organizations to electronically find and apply for competitive grant opportunities from all Federal grant-making agencies. As one of 26 Federal grant-making agencies, the Arts Endowment is assessed an annual fee for usage of Grants.gov by the U.S. Department of Health and Human Services, the managing partner for Grants.gov. The Agency requests \$130,000 for the FY 2007 assessment.

The vision of GMLoB is a government-wide solution to support end-to-end grants management activities that promote citizen access, customer service, and agency financial and technical stewardship. The U.S. Department of

Program Support

Health and Human Services and the National Science Foundation have been named co-managing partners for this implementation, with support from the 26 grant-making agencies. The Arts Endowment requests \$30,074 for this initiative.

- III. Strategies and Achievements. There are three particularly important Agency strategies that are implemented with funds from this area: quality application review, influential research and evaluation, and effective outreach. The Agency's Program Support activity that contributes to each has already been discussed in this budget section. The following presentation is intended to clarify the relationship between the Program Support categories and these strategies.

A. High Quality Grant Application Review

- *Panel membership* in compliance with the Agency's authorizing legislation, as amended, requires that panels be composed of citizens reflecting wide geographic, ethnic, and minority representation as well as individuals reflecting diverse artistic and cultural points of view. Panels also include lay members who are not engaged in the arts as a profession, but who are knowledgeable about the arts. Through this system we annually draw upon the services of approximately 500 arts practitioners and knowledgeable laypersons from across the country who review grant applications submitted to the Arts Endowment; their judgments contribute significantly to the Chairman's funding decisions. Panel membership changes substantially from year to year; individuals may not serve for more than three consecutive years. The Agency's Automated Panelist Bank System (APBS) enables staff to ensure compliance with these mandates.
- *Consultants* are engaged to read the manuscripts of Literature fellowship applicants and make an initial determination as to those worthy of subsequent review. This assistance is essential to the quality review of the large number of Literature fellowship applications received each year (more than 900 for FY 2006 support).
- *On-site evaluations* are provided by individuals deeply knowledgeable about the arts; this information is particularly essential to quality review in the fields of Opera and Theater and serves to supplement applicant-provided materials.

B. Influential Research & Evaluation

- *Reports, publications, and research notes* produced by the Agency's Office of Research and Analysis provide a valuable service to the public and to those engaged in our nonprofit and commercial arts industries. Dramatic findings detailing the decline in reading of literature by Americans were highlighted in an Arts Endowment publication, *Reading at Risk: A Survey of Literary Reading in America*, issued in 2004. The survey found fewer than half of American adults now read literature. The public response has been tremendous, with over 1,000 articles that cite the study appearing in local and national media. *Reading at Risk* presents the results from the literature segment of the 2002 Survey of Public Participation in the Arts (SPPA). The SPPA measures participation in arts activities through attendance at live events, consumption of arts-related media, and personal participation in various art forms. The survey includes demographic information of participation broken down by sex, race, age, income, and education level.

Research notes are typically short, five to ten page summaries of current statistical information. In June 2005, we issued Note #89, *Arts and Leisure Activities: Evidence from the 2002 Survey of Public Participation in the Arts*. This note reports that arts participants – adults who read literature, listened to classical or jazz radio, or attended a performing arts event – were more likely than non-arts participants to engage in other leisure activities such as attending sporting events and doing volunteer or charity work.

The FY 2007 budget request includes funds for the next (sixth) national SPPA, scheduled for 2008.

- *Evaluation* of an Agency program, project or activity is undertaken to determine its impact, effectiveness, and efficiency. Evaluations take many forms including targeted research and issue-oriented convening. Consideration is being given to establishing a qualitative review process to assess more fully the impact of Agency projects.

C. Effective Outreach

- *The Agency's Web site*, www.arts.gov, provides ready public access to information about the Agency and how to participate in its grants programs, activities, and materials. Activities made possible through our Web site include:

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- Downloading and printing the Agency's grant application guidelines, including application and administrative forms.
 - Reading Agency press releases.
 - Learning about NEA-funded projects through in-depth looks at various projects.
 - Accessing Agency research reports and publications.
 - Easy access to public documents, such as the Agency's annual "Performance and Accountability Report" and "Inventories of Commercial and Governmental Activities."
 - Nominating individuals for the annual *National Medal of Arts*, *NEA Jazz Masters*, and *NEA National Heritage Fellowship* awards.
 - Identifying and linking to funding and professional development resources outside the Arts Endowment.
 - Directly linking to Agency staff email and locating staff phone numbers.
- Outreach activities also include the preparation and distribution of other quality materials (often through our Web site) on important issues in the arts related to the Agency's research findings, application requirements, or special programs or projects. Examples include:
- *Imagine! Introducing Your Child to the Arts*, which presents activities and suggestions in literature, dance, music, theater, visual arts, folk arts, and media arts aimed specifically at children ages 3-8 years old, and includes a pull-out guide of arts activities that parents and children can do together.
 - *Guide to the National Endowment for the Arts*, which provides details on programs and activities supported by the Arts Endowment.
 - Educational materials, such as workbooks and CDs, which are distributed to teachers and students as part of the Agency's National Initiatives such as *Shakespeare in American Communities*, *NEA Jazz Masters*, *Operation Homecoming: Writing the Wartime Experience*, *Great American Voices*, and *Poetry Out Loud: National Recitation Contest*.
 - *NEA Jazz Masters*, which profiles NEA Jazz Masters from 1982 to 2006, including brief biographies and selected discographies for all 87 honorees and a brief history of NEA's creation of the Jazz Masters program, an overview of the newly expanded program, and an introduction by jazz author A.B. Spellman.

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- *NEA Arts*, the Agency's bimonthly newsletter, which presents recent information on the NEA's national initiatives, sponsored programs, awards, grants, and events.
- The Agency's *Annual Report*.
- *AccessAbility* efforts, often working through the designated Regional Arts Organizations, address grantee compliance with Section 504 of the 1973 Rehabilitation Act and the 1990 Americans with Disabilities Act (ADA).

Program Support

Table 5.
National Endowment for the Arts
Detail of Program Support Activities

(\$ in thousands)

<u>ACTIVITIES</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2007 Request</u>
Panels and Reviewers	515	560	590
Consultants	81	108	108
On-Site Evaluations	180	200	200
Printing and Reproduction	125	227	200
NCA Travel	35	43	36
Research, Analysis & Evaluation	154	537	356
AccessAbility	24	25	25
Other Services	58	140	86
E-Grants Assessments g/	<u>113</u>	<u>340</u>	<u>160</u>
Total Program Support	1,285 a/ b/ c/	2,180 d/ e/ f/	1,761

a/ Includes \$486,000 of FY 2004 carryover funds and \$32,055 of prior year deobligations.

b/ Includes FY 2005 Interior rescission of .594% and across-the-board rescission of .8% totaling \$18,000 pursuant to P.L. 108-447.

c/ Excludes \$507,810 of funds carried forward to FY 2006, with \$113,170 earmarked for Agency's 2005 Grants.gov assessment, \$219,069 in commitments for Research, Analysis & Evaluation, and \$62,111 for printing and reproduction.

d/ Includes \$507,810 carried forward to FY 2006 from FY 2005.

e/ Includes FY 2006 Interior rescission of .476% totaling \$7,000, pursuant to P.L. 109-054 and across-the-board rescission of 1% totaling \$16,890 pursuant to H.R. 2863..

f/ Includes reprogramming of \$226,000 for the Agency's 2006 Grants.gov assessment.

g/ Refers to assessments for Grants.gov in FY 2005-FY 2007 and for Grants Management Line of Business in 2007. The assessment for Grants.gov in FY 2005 and FY 2006 is \$226,340 each year.

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SALARIES AND EXPENSES

I. Introduction

The Salaries and Expenses (S&E) budget provides operating funds essential to the achievement of the mission, goals, and outcomes of the Arts Endowment, its Inspector General (OIG), and the President's Committee on the Arts and the Humanities (PCAH). More specifically, funds are needed for personnel compensation and benefits, staff and invitational travel, rental payments to GSA, security payments to DHS, communications and utilities, contractual services such as training and information technology support, and supplies and equipment.

In addition to providing information on S&E financial requirements, we report on related management activities, achievements, and directions. We highlight Agency progress in addressing the President's Management Agenda (PMA) and initiatives undertaken with regard to human capital, e-gov, competitive sourcing, financial management, and budget performance/integration.

As stewards of public funds, the Arts Endowment emphasizes accountability, efficiency, and effectiveness in all Agency operations. We are mindful of the fiscal constraints facing the entire Federal government, and submit our FY 2007 request accordingly.

II. Funding

The Arts Endowment's FY 2007 request for S&E is \$23,834,000. The S&E budget components are (also see Table 6):

Personnel Compensation and Benefits	\$17,920,000
Staff and Invitational Travel	350,000
Rent, Communications and Utilities	2,983,000
Contractual Services	2,060,000
Other Operating Services ¹	<u>521,000</u>
Total	\$23,834,000

- A. Personnel Compensation and Benefits. Success in achieving our mission is directly linked to the quality and expertise of the Agency's employees. The FY 2007 Personnel Compensation Request of \$17.9 million should support approximately 158 FTE, cover the annualized cost of the 3.44 percent

¹ Includes printing and reproduction, supplies and materials, and equipment.

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FY 2006 pay increase, the 2.2 percent pay raise proposed for FY 2007, and within-grade increases.

The amount budgeted for Benefits is based on the Agency's adjusted composite benefit rate, which is estimated to be 22.5 percent in FY 2007. This estimate results from the continued increase in the number of employees under the Federal Employees Retirement System (FERS), which has a higher cost to the Agency than does the CSRS. FERS employee salaries currently represent approximately 67 percent of total staffing; this figure is expected to increase in the coming years.

- B. Staff and Invitational Travel. For FY 2007, the Arts Endowment requests \$350,000 for local and out-of-town travel for staff (including the Office of Inspector General and the Arts Endowment's portion for the President's Committee on the Arts and the Humanities). The travel request supports Agency outreach efforts, technical assistance to grantees and potential applicants, and travel associated with the planning and implementation of the Agency's National Initiatives. International travel may also be necessary, particularly with regard to the Chairman's appointment as the Chair of the Cultural Committee of the U.S. National Commission on UNESCO, and State Department requests for the Agency to provide expertise in support of U.S. positions on proposed UNESCO and Organization of American States (OAS) cultural conventions.
- C. Rent, Communications and Utilities. The FY 2007 budget request for these activities is \$2.98 million.
 - 1. Rent. For FY 2007, the Agency is being charged approximately \$2.217 million by GSA to remain at our current location.

GSA has announced plans to solicit offers to redevelop the Old Post Office Building (OPOB). At this point there is no definitive guidance regarding a move from the OPOB; as a result, this budget assumes the Agency remains in the OPOB through FY 2007. Given the uncertainty that has prevailed in recent years regarding this matter, we chose not to include funds in our FY 2007 budget for increased rent costs due to relocation or buildout costs associated with a move to a new facility. At such time a move is certain, we anticipate that increased costs associated with a move will be covered by a supplemental appropriation based on guidance previously provided by the Congress.
 - 2. Security. For FY 2007, the Agency is estimating security charges of approximately \$239,000 by the Department of Homeland Security.

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3. Communications and Utilities. Approximately \$527,000 is requested for telecommunications, mailing services, express delivery of time-sensitive panel and National Council on the Arts (NCA) materials, utilities, and equipment rental. The use of the Internet has allowed us to minimize cost increases in the telecommunications and bulk mailing areas. However, costs for express delivery of time-sensitive materials are climbing as panel materials expand due to the larger numbers of applications received. Until we are able to completely switch to an E-Grants system, we do not expect any relief in express delivery or mail services costs.
- D. Contractual Services. Contractual service activities involve training and various miscellaneous services such as administrative contracts for information technology assistance. The Arts Endowment is seeking \$2.06 million in FY 2007 for these purposes.
 1. Training. The Arts Endowment requests \$106,000 for Agency-wide training in FY 2007. This request supports training needs for human resources and information technology professional development.
 2. Miscellaneous Services. The FY 2007 request for miscellaneous contractual services is \$1.95 million. The Agency uses miscellaneous contractual services for a range of activities such as payroll and personnel processing with the U.S. Department of Agriculture, GSA Guard Service, and the Department of Health and Human Services' Employee Assistance Program.

The Agency has designated funds for GSA relocation planning costs. GSA has advised the Agency of the potential for a move from the Old Post Office Building. In the event this occurs, reimbursement to GSA for assistance with relocation planning is anticipated. These services usual precede the actual move by many months.

Funds are also used in support of the Agency's information technology management program. In FY 2007, funds are requested to support personnel automation efforts and to maintain the new financial management information system under the interagency agreement with the Department of Transportation, Federal Aviation Administration, Enterprise Services Center (ECS). Funds are also requested to develop interfaces required by Administration initiatives such as E-Grants (Grants.gov and Grants Management Line of Business (GMLoB)). We will need to build interfaces between our legacy systems and a GMLoB consortia service center. In addition, agencies will need to design/build those elements of a common solution end-to-end system that must be tailored to each agency's unique needs (e.g., in our case, managing the

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multimedia work samples that are essential to our application review process).

- E. Other Operating Services. Other operating services include printing, supplies, and equipment.
1. Printing. For FY 2007, we request \$69,000 for printing activities, including print notices in the Federal Register and Code of Federal Regulations, and standard Agency forms.
 2. Supplies and Equipment. In FY 2007, the Arts Endowment requests \$452,000 for supplies and equipment.

III. Administrative Strategies and Achievements

The first strategy identified by Chairman Gioia in 2003 was to:

Provide focused leadership and careful management to improve Agency performance and productivity.

We believe the Arts Endowment has been successful in this effort. The following information provides examples of this success, including how our efforts contribute to achievement of the President's Management Agenda (PMA).

A. Improved Grants Management

Discipline-Centered Review Process. In FY 2004, we clarified our grant application process by aligning application guidelines with artistic disciplines. We provided more discipline-specific information to applicants and improved the ability of applicants to navigate and understand application requirements.

Improved Access through the Internet. The use of the Internet has allowed us to place a priority on quick response to inquiries; allowed interested parties to download Agency information and publications, including grant application guidelines and pre- and post-award forms; and enabled the Agency to minimize cost increases in the telecommunications and bulk mailing areas.

Improved Grantee Compliance. In 2004, the Arts Endowment initiated a grantee technical assistance program to assist grantees in their efforts to comply with Federal and Arts Endowment grant requirements. This labor-intensive activity provides selected grantees with direct, face-to-face

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assistance in all areas of grants compliance. To date, 28 meetings have been held across all arts disciplines. The lessons learned from this effort will also assist the Agency with the development or enhancement of materials made available to grantees as part of the grant award and monitoring process.

Streamlining Opportunities. The Arts Endowment's funding opportunity announcements and application requirements are reviewed regularly to ensure that only essential information is requested and that it is as non-duplicative and streamlined as possible.

Staff have developed pilots for applicants to receive electronic notifications for application acknowledgements and the availability of funding opportunities on Grants.gov, rather than mailing notifications.

B. Effective Outreach

Grants Workshops. The Arts Endowment is the Nation's largest annual funder of the arts, and as a result, the grant process is extremely competitive. The Agency is committed to broad public and geographic outreach. By offering grants workshops, often hosted by Members of Congress, the Arts Endowment is encouraging small and mid-size nonprofit arts organizations throughout the country to apply to receive direct Arts Endowment grants. By providing general technical assistance to potential applicants and grantees at community and State workshops and national conferences, the Arts Endowment is ensuring that underserved areas have knowledge of funding opportunities available to them.

National Initiatives. Planning for and effective delivery of the Agency's National Initiatives requires extensive interaction with arts organizations, school systems, and underserved communities, such as military installations, in all 50 States.

International Efforts. The Chairman of the National Endowment for the Arts has been appointed by the Secretary of State to serve on the U.S. National Commission on UNESCO and to chair its Culture Subcommittee. In addition, the Chairman and other Arts Endowment staff have been appointed to serve on U.S. delegations to provide expertise that informs U.S. policies and strategies at UNESCO and the Organization of American States (OAS).

C. Strategic Management of Human Capital

We have established human capital (HC) strategies consistent with the Agency's Strategic Plan. We manage our HC programs consistent with applicable internal controls and merit-based principles – confirmed by the

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2004-2005 Human Resource Management Delegated Examining oversight review conducted by the Office of Personnel Management (OPM). And we build our budgets and programs consistent with our available HC resources.

Following a reduction-in-force (RIF) in 1995, necessitated by a 40 percent reduction in funding, we reassessed the positions essential to accomplishing our mission while recognizing the necessary balance between professional and clerical skills. We now conduct such assessments on an ongoing basis to ensure that our staffing level and competency mix are sufficient to operate effectively and achieve our mission.

We have sustained a high-performing workforce as evidenced by our capacity to manage increasing application and grant workloads without commensurate increases in resources. Training is critical to this effort, particularly as employees retire and new staff come on board. In addition, we instituted annual leadership training to improve and enhance performance, and to serve as a key element of succession planning². We have also established an Innovation Awards program to challenge Agency staff to identify opportunities to improve productivity Agency-wide.

Finally, we have reorganized offices and reassigned staff to maximize performance as evidenced by:

- Establishing an Office of Government Affairs to provide focused and consistent management of the Agency's liaison with other executive agencies, Congress, and the White House in support of domestic and international activities.
- Establishing a Development Office to secure donated funds to support, in particular, large-scale national initiatives.
- Establishing a National Initiatives Office to manage such programs.
- Reorganizing our Information and Technology Management (ITM) Office to substantially improve the skills set available to lead the Agency in technology and productivity improvement. Along with this effort, we dedicated substantial training funds for ITM staff.

² The average years of Federal service for Agency staff is currently 16.3. By the end of FY 2007, assuming no substantial change in the composition of staff, approximately 17% of Agency staff will be eligible for optional retirement. With this in mind, the Agency has set succession planning as a high priority. Two major goals have been identified to prepare the Agency for the potential retirement or resignation of key career staff. First, to offer competitive developmental training opportunities to staff at the GS-13 and above levels, with a desired outcome of being able to use existing staff to temporarily or permanently fill the knowledge and skill voids created when critical leadership positions are vacated. Second, to offer staff training with an emphasis on supervisory knowledge and skills.

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- Establishing formal teams, such as the *National Reading Initiatives* Team and the *NEA Jazz Masters* Team, to better manage those activities requiring expertise from staff throughout the Arts Endowment.

D. Expanded E-Gov

We continue our active participation on interagency work groups, subgroups, and specially formed teams, assisting with the government-wide streamlining and Grants.gov efforts. The Agency employs a team effort to work on Grants.gov, encompassing information technology, programmatic, grants, guidelines, communications, and policy staff with *team members participating in these efforts while continuing to carry out their other responsibilities.*

We are pleased to report that the Agency exceeded the FY 2005 goals set by OMB and Grants.gov. The goals were to post five application packages and receive a minimum of 100 electronic applications through Grants.gov. As of June 2005, we had posted 11 application packages on Grants.gov and received close to 200 electronic applications. The Arts Endowment received the Grants.gov Gold Star award and was recognized at the June 29, 2005 Stakeholders' meeting for exceeding the goals set for us.

The Arts Endowment has been working with previous applicants to make them aware of Grants.gov and assist them in the registration process that is required in order to submit applications. This has included the development of customized instructions, tips, and checklists on the Agency Web site, as well as e-mail campaigns to encourage applicants to register for Grants.gov. In addition, through pro-active sessions, Arts Endowment staff "walk" potential applicants through the process of applying online.

Beyond Grants.gov, we are anticipating a similar work effort for the Grants Management Line of Business (GMLoB). The goal of GMLoB is to develop a government-wide solution to support end-to-end grants management activities that promote citizen access, customer service, and agency financial and technical stewardship.

We work to ensure compliance with other applicable Administration initiatives such as developing the necessary interfaces to Grants.gov, GMLoB, and E-Travel.

We have initiated a number of process improvements through the use of technology that will enhance internal productivity as well as customer service for our applicants and grantees. Efficiencies have already emerged from these efforts, resulting in improvements in data quality, reduction in

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paperwork, and ability to review and share materials in an electronic environment. Examples include:

- *Electronic acceptance of Literature Fellowship final reports.* This option was made available to our Literature Fellows in May 2004. As many of these individuals move and travel extensively, the ability to create their reports and submit them electronically is beneficial.
- In May 2004, implemented *My Grant-at-a-Glance*, a new tool that allows grantees to get real-time information – including status of payment requests – on their grants. Grantees can display general information concerning an award, such as their period of support and when their reports are due; track a payment request; and find out if forms they mailed or faxed to the Arts Endowment have been received. In October 2004, we introduced additional functionality that allows grantees to obtain a history of grants awarded to them. Grantee reaction to these new automated tools has been favorable, giving them immediate access to information. Likewise, these tools have allowed Arts Endowment staff to focus on other workload items given the time saved by no longer having to respond to these types of grantee information requests.
- *Submission of manuscripts via email for the Operation Homecoming: Writing the Wartime Experience* anthology.
- *Transitioning our mandatory (formula) grants to Grants.gov.*

Additionally, we maintain an Agency Intranet to improve internal operations, including the placement on this site of internal Agency forms that can be produced and shared electronically.

E. Competitive Sourcing

We conduct our staffing inventory and subsequently submit it in compliance with the Federal Activities Inventory Reform (FAIR) Act. We use contracting as an important management tool, particularly in the areas of information and facilities management – pursuant to competition. For example, in FY 2004 we entered into a cross-servicing interagency agreement with the DOT and its FAA to provide the Agency with a Joint Financial Management Improvement Program (JFMIP)-compliant finance system.

F. Improved Financial Management

With the conversion of our legacy financial system to FAA's JFMIP-compliant financial system, we anticipate further improvements in reliability and timeliness of financial information.

G. Integration of Budget and Performance

We have prepared this FY 2007 budget request as a performance budget, with performance data integrated throughout. This integration ensures that Agency goals, programs, and budget categories are aligned with and mirror one another. For example, Agency general goals and annual performance goals are one and the same. We have developed program outcomes and indicators to assess achievements in relation to plans. Indicators are generally statistical in nature. We also are using indicators to determine areas of adjustment or emphasis in our budget request, where appropriate.

IV. Office of Inspector General (OIG)

The Office of Inspector General was established in 1989 pursuant to provisions of the Inspector General Act Amendments of 1988 (P.L. 100-504). The OIG is responsible for conducting audits, investigating allegations of unlawful or unauthorized activity, and providing technical assistance to grantees on matters relating to the financial management of their awards. The OIG helps the Agency evaluate and improve management systems to prevent waste, fraud, and abuse, and ensure efficient, effective service. In addition, the OIG works with the Chief Information Officer to ensure the Arts Endowment's compliance with the Federal Information Security Management Act (FISMA).

There is no separate appropriation for the OIG. The Arts Endowment provides funding for the activities of the OIG based upon the Inspector General's budget as approved by the Arts Endowment Chairman. In FY 2005, the OIG made a determination to expand its audit coverage of Agency award recipients. This effort involves extended visits to localities where selected organizations participate in a financial management review conducted by the OIG. Increases in travel were allocated to accommodate this important new endeavor.

A summary of the OIG costs is shown below.

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Office of Inspector General Costs

(\$ in thousands)	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Request</u>
11.1 Personnel Comp. ³	311	323	334
12.1 Personnel Benefits	55	57	60
21.1 Travel	10	16	16
24.0 Printing	0	1	1
25.2 Training	4	7	7
25.4 Contractual Services	1	0	0
26.0 Supplies	<u>2</u>	<u>1</u>	<u>1</u>
Total	383	405	419

V. President's Committee on the Arts and the Humanities (PCAH)

Established by Executive Order in 1982, and renewed every two years since, the President's Committee on the Arts and the Humanities plays a key role within each Administration by:

- Providing a mechanism for interagency collaboration.
- Promoting activities that extend the reach and quality of national arts and humanities programs, and research and recognition programs that underscore the civic, social, and educational value of the arts and humanities.
- Stimulating increased private investment in the arts and humanities.

Its members include private citizens appointed by the President, and the heads of 12 Federal agencies: Department of State, Department of Education, General Services Administration, Department of the Treasury, Library of Congress, Department of the Interior, National Endowment for the Arts, National Endowment for the Humanities, Institute of Museum and Library Services, Smithsonian Institution, John F. Kennedy Center for the Performing Arts, and the National Gallery of Art. The First Lady is the honorary Chairperson.

The costs of the PCAH are reflected in the various object classes of the Arts Endowment's S&E budget. The Arts Endowment provides communications and legal counsel, budgetary and financial administration, and acquisition of logistical and administrative support (including supplies and reprographic and telephone services) for the Committee staff. The Humanities Endowment shares the costs of the PCAH through an interagency agreement with the Arts

³ Supports 3 FTE in FY 2005, FY 2006, and FY 2007.

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Endowment. The total budget for PCAH, including the costs covered by NEH (but excluding donated private funds), is shown below:

President's Committee on the Arts and the Humanities Costs

(\$ in thousands)	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Request</u>
11.1 Personnel Comp. ⁴	324	386	395
12.1 Personnel Benefits	75	91	94
21.1 Travel	24	16	16
23.1 Rent	80	98	100
23.3 Postage	3	3	3
23.3 Telephone	5	5	5
24.0 Printing	9	6	6
25.4 Contractual Services	65	40	40
26.0 Supplies	<u>2</u>	<u>2</u>	<u>2</u>
Total	587 ⁵	647 ⁵	661 ⁶

⁴ Includes 2 FTE carried by NEA and 2 FTE carried by NEH; excludes support that might be provided by other Federal agencies.

⁵ Excludes \$197,000 of appropriated funds received in FY 2005 and \$197,048 in FY 2006 from NEH for PCAH use.

⁶ Excludes \$200,000 requested by NEH for PCAH use.

Salaries and Expenses

Table 6.
National Endowment for the Arts
Detail of Object Classification
(\$ in thousands)

OBJECT CLASSES	FY 2005 <u>Actual</u>	FY 2006 <u>Estimate</u>	FY 2007 <u>Request</u>
11.1 Full-Time Permanent	\$11,151	\$11,818	\$12,237
11.3 Other Than Full-Time Permanent	1,722	1,825	1,890
11.5 Other Personnel Compensation	390	413	428
11.8 Special Personal Services	<u>0</u>	<u>0</u>	<u>0</u>
11.9 Total Personnel Compensation	13,263	14,056	14,555
12.1 Civilian Personnel Benefits	3,057	3,240	3,355
13.0 Benefits for Former Personnel	<u>80</u>	<u>10</u>	<u>10</u>
Total Personnel Benefits	3,137	3,250	3,365
Total Compensation & Benefits	16,400	17,306	17,920
21.0 Travel & Transportation of Persons	220	263	350
23.1 Rental Payments to GSA	2,356	2,411	2,456
23.3 Comm., Utilities & Misc. Charges	436	496	527
24.0 Printing and Reproduction	64	63	69
25.2 Other Services a/	925	1,496	2,060
26.0 Supplies and Materials	154	149	164
31.0 Equipment	<u>124</u>	<u>273</u>	<u>288</u>
99.0 Total: Salaries and Expenses	20,679 b/ c/ d/	22,457 e/ f/ g/	23,834

a/ Excludes NEH reimbursement for one-half of PCAH expenses.

b/ Includes \$354,201 of FY 2004 carryover funds and \$40,797 of prior year deobligations. Excludes \$377,432 of FY 2005 carryover into FY 2006.

c/ Includes FY 2005 Interior rescission of .594% and across-the-board rescission of .8% pursuant to P.L. 108-447 totaling \$283,226.

d/ Includes \$438,000 of reprogramming from program funds to salaries and expenses.

e/ Includes FY 2006 Interior rescission of .476% totaling \$103,035, pursuant to P.L. 109-054 and across-the-board rescission of 1% totaling \$223,030 pursuant to H.R. 2863.

f/ Includes reprogramming of \$760,000 from program funds to salaries and expenses.

g/ Includes \$377,432 of FY 2005 carryover funds.